Task Force on Opportunity Scholarships

Report to Governor Haslam

Nov. 29, 2012

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Executive Summary

On December 15, 2011, Gov. Bill Haslam announced the formation of the Task Force on Opportunity Scholarships for Tennessee. Opportunity scholarship programs allow a defined group of students to use public funding to offset the cost of attending participating schools. He charged this group with studying and considering options for a potential program that "would fit into Tennessee's overall education reform strategy [and seek] to provide meaningful education options to disadvantaged students."[1] The governor had heard from experts—who had designed, administered, and researched scholarship programs in other parts of the country—that each program is different and that design matters; therefore, the goal of the Task Force was to consider a policy design that fit Tennessee's context and the ongoing work in education reform taking place in the state.

Over the past eight months, the Task Force has used this charge to guide its work, with thoughtful consideration and discussion about the context in Tennessee—including the current public school choice landscape and private school market—and opportunity scholarship programs in other cities and states. Through a series of meetings, research, consultation with local and national experts, and careful deliberation, the Task Force reached consensus, though not necessarily unanimity, on many design elements for a Tennessee-specific opportunity scholarship program.[2] The points of consensus include the following:

- On the question of **school eligibility** (which schools would be eligible to accept opportunity scholarship students) and **accountability** for these schools, there was consensus that private schools would need to meet initial eligibility criteria to participate, whether through the state's current non-public school accreditation process or another type of application process. One additional possibility would be to permit public schools to participate in an opportunity scholarship program whether within or across district lines. In addition, there was consensus that participating schools would need to administer to scholarship students either the state assessments or national norm-referenced assessments that can produce value-added scores.
- On **student eligibility** (which students would be eligible to participate) and **program capacity** (the size of the program), there was consensus that any Tennessee-specific program should focus specifically on low-income students and should not have universal eligibility. There was also consensus that any program should allow for study and evaluation of the program's results before expansion. Generally, this area—the scale and scope of student eligibility—had the broadest range of opinions in the Task Force discussion and the least consensus of all key issues.
- On the **amount of the scholarship**, there was consensus that private schools should be required to accept the scholarship as payment in full for tuition, rather than having the option of charging additional tuition to participating scholarship students. The Task Force had a range of opinions on the nature of funding for the scholarship: some members

[1] Office of the Governor. (Dec. 15. 2011). Haslam announces task force to examine opportunity scholarships [Media Release]. Retrieved from http://news.tn.gov/node/8192. Also included as Appendix A.
[2] This report is a collection of design ideas from the Governor's Task Force on Opportunity Scholarships. An individual's participation on the Task Force does not constitute the endorsement of an opportunity scholarship program by that individual or the organization that person was chosen to represent.

believed that the funding should be limited to the state share of the BEP and the required local match, while others felt strongly that any additional local dollars spent on top of the local match should also follow the child.

- On **program administration**, especially the timeline for when a program would launch, there was consensus that the timeline should largely depend on student eligibility. A program at a more modest scale could be implemented immediately, while a more widespread program might require more time for planning before implementation.
- On **program evaluation**, there was consensus that evaluation should be based on the goals of the program, but that potential elements could include academic outcomes for participating students and/or students in sending districts, graduation rates, participation and persistence rates, and family and student satisfaction, or a combination thereof.

This report includes a more in-depth discussion of each of the design elements as well as additional detail on information the Task Force considered. In addition to the commentary from the Task Force captured throughout the report, the minutes from each meeting are included in Appendix C to provide a more detailed view of the discussions and opinions of individual Task Force members. The appendices also include a summary of the latest research on opportunity scholarship programs in other states, findings from surveys done of private schools in Tennessee, and other helpful points of reference.

I. Introduction

Gov. Bill Haslam is committed to making sure every child in Tennessee has the opportunity to receive a great education, and his administration has made that goal a top priority. When the idea of creating an opportunity scholarship program in Tennessee—or allowing a defined group of students the option of using public funding to offset tuition costs at participating schools—was considered by the General Assembly in 2011, Gov. Haslam committed to studying the matter. On Dec. 15, 2011, the governor announced the formation of the Task Force on Opportunity Scholarships for Tennessee. He charged this group with studying and considering options for a potential program that "would fit into Tennessee's overall education reform strategy [and seek] to provide meaningful education options to disadvantaged students."[3] The governor had heard from experts—who had designed, administered, and researched scholarship programs in other parts of the country—that each program is different and that design matters; therefore, the goal of the Task Force was to consider a policy design that fit Tennessee's context and the ongoing work in education reform taking place in the state.

The Task Force came together for its first meeting in March 2012. The governor appointed nine members to the Task Force. The members were chosen for their expertise and experience with education issues in Tennessee, and together they represent a variety of perspectives on the issue of private school choice. The members are as follows:

- Kevin Huffman, commissioner, Tennessee Department of Education, chair
- Chris Barbic, superintendent, Achievement School District
- Rep. Harry Brooks (R-Knoxville), House Speaker Beth Harwell's (R-Nashville) designee
- Sen. Brian Kelsey (R-Germantown), Lt. Gov. Ron Ramsey's (R-Blountville) designee
- Indya Kincannon, Coalition of Large School Systems designee; vice chair, Knox County Board of Education
- Mary McDonald, independent school community designee; former superintendent, Memphis Catholic Dioceses
- Gary Nixon, executive director, State Board of Education
- Jamie Woodson, president and CEO, State Collaborative on Reforming Education
- Ron Zimmer, associate professor of public policy and education, Vanderbilt University

Goal of the Task Force

At the first meeting of the Task Force on March 2, 2012, Gov. Haslam provided the Task Force with its charge. According to the governor, the Task Force was not created as a forum to debate whether an opportunity scholarship program should exist in Tennessee, as that debate would take place in the state legislature. The purpose of the Task Force was to help construct the best possible program for Tennessee so the governor could decide whether or not such a program would further the state's educational objectives. The governor asked that the group spend the spring and summer thinking through various options and provide recommendations to him in the fall of 2012.

[3] Office of the Governor. (Dec. 15. 2011). Haslam announces task force to examine opportunity scholarships [Media Release]. Retrieved from http://news.tn.gov/node/8192. Also included as Appendix A.

Work of Task Force

The Task Force on Opportunity Scholarships for Tennessee met a total of five times and spoke with a range of local and national experts (see Appendix C for minutes from each of the meetings). Additional staff-level research was conducted by the governor's office and the Tennessee Department of Education and shared with Task Force members (see Appendix D for the latest research on key programs discussed by the Task Force). Finally, the Task Force held an additional stakeholder meeting in September that allowed parents, educators and other interested parties to share their thoughts with the Task Force on the design of an opportunity scholarship program. The following is a complete list of the meetings, as well as a brief summary of the discussions:

- March 2, 2012: At the first meeting of the Task Force, the governor began the meeting by giving the members their charge. The Task Force laid out the questions they would need to have answered in order to provide the governor with a report. The questions fell into three categories and guided the meetings that followed: (1) the school choice landscape in Tennessee, (2) the private school landscape in Tennessee, and (3) program design in other states.
- June 14, 2012: Task Force members used the second meeting to engage various experts on the topics of private schools and school choice in Tennessee. The Task Force broke up into two subcommittees to spend time hearing from and asking questions of members of the independent school community and district leaders on these two areas. A more detailed description of the findings of these subcommittees is laid out below.
- Aug. 16, 2012: At the third meeting, the Task Force focused on opportunity scholarship programs in other states. The Task Force brought in national experts to discuss what has worked well in other states and what has not. The experts were Scott Jensen, John Schoenig, Patrick Wolf and Howard Fuller, who joined by phone (see Appendix E for their biographies).
- Sept. 26, 2012: The fourth meeting was used primarily as a working session, during which time the Task Force discussed specific design elements in light of the information members had gathered during the first three meetings.
- Sept. 26, 2012: Following the fourth meeting, the Task Force held a stakeholder session in order to hear thoughts from interested participants on program design. The minutes from this meeting are included in Appendix C. The meeting allowed stakeholders to discuss design elements in smaller groups and then share them with the Task Force for the members' consideration.
- Nov. 13, 2012: At the final meeting of the Task Force, members had a chance to share their reflections and feedback on a draft version of the report to the governor. The Task Force spent time discussing public school choice and the amount of the scholarship, about which they had not had a chance to talk in depth.

Over the course of these meetings, there were a number of design elements and considerations on which the Task Force discussions seemed to reach consensus, though not necessarily unanimity.

The areas of agreement are noted throughout this report. In addition, the minutes provide a more detailed view of the discussions and opinions of individual Task Force members.

II. Considerations

In designing an opportunity scholarship program for Tennessee, the Task Force paid particular attention to: (1) the goal of the particular program, and (2) the state's educational context, including information about the private schools that might participate in the program and the current choice landscape available to public school students.

Goal of the Program

When creating an opportunity scholarship program, policymakers' end goals should influence its design. Two distinct (but not mutually exclusive) goals for a program include providing students and families with choice and improving academic outcomes. Choosing to emphasize one or the other could result in different conclusions on the design of the program.

Some proponents of opportunity scholarship programs argue that choice alone is an important value or even a right in and of itself. In the same way that more affluent families can often choose from a variety of public and private schools—because of greater means as well as enhanced mobility—opportunity scholarships provide additional options for low- or middle-income families who might otherwise not have the option or wherewithal to attend a school other than their local, zoned option. Choice proponents also note that families may choose one school over another for a variety of reasons, including greater safety and security or a learning environment that better suits their child, even if the overall academic outcomes do not differ greatly between the zoned public school and private school in question.

On the other hand, some proponents of opportunity scholarship programs focus more on improving academic outcomes, whether directly (for the students who actually participate in the program), indirectly (for the educational system as a whole), or both. Some supporters have focused on the belief that students attending the lowest-performing schools in a system should not be stuck there without recourse, given that efforts to improve the performance of a school or district can, realistically, take years. Others, who focus on the potential for indirect effects, argue that an opportunity scholarship program introduces market pressure in a previously monopolistic system, and therefore creates an incentive to improve through competition.

Although the members of the Task Force represent a diverse range of viewpoints on the overall value and role of school choice in education, there was consensus that an opportunity scholarship program for Tennessee should align with the state's larger goal of improving academic outcomes for students.

Tennessee Context

The Task Force spent time examining the current Tennessee context in terms of the private school landscape and public school choice landscape to inform its consideration of various design ideas and ensure its recommendations would meet the needs of Tennessee students and families.

Private school landscape: At the first meeting of the Task Force, several members requested that the Task Force spend time exploring Tennessee's current private school landscape. The main areas around which members had questions were the following:

- Accreditation processes
- Accountability and testing
- Cost to attend
- Seat capacity

In order to better understand these issue areas, the Task Force engaged a series of private school experts, including representatives from Catholic schools, the Christian school association, and the independent school association. In addition, the Task Force asked Marcy Tidwell, the director of non-public schools at the Tennessee Department of Education, to participate in the private school subcommittee. To supplement information provided by the private school experts, the Friedman Foundation for Educational Choice, in collaboration with the Beacon Center of Tennessee, conducted two surveys of private schools in Tennessee (see Appendix F), and shared the findings with the Task Force. The two surveys went out to 561 non-public private schools in the state, and had response rates of 39 percent and 36 percent.[4]

The Task Force received the results from the two surveys as well as information from the Tennessee Department of Education's annual survey of private schools. Information from both resources informed Task Force conversations on private school eligibility. Key data points from the survey include:

- Thirty-seven percent of the state's private schools are located in Davidson, Hamilton, Knox or Shelby counties.
- Twenty-eight percent of private schools span grades PK-12 or K-12.
- The median school has 75 students.
- Sixty-four percent of schools currently require students to take a national norm-referenced test; 42 percent of schools surveyed said they would or likely would participate in a scholarship program if it required Tennessee Comprehensive Assessment Program (TCAP) testing. Based on data from the Tennessee Department of Education, 16 percent of private schools currently administer the TCAP.
- More than half of the private elementary and middle schools surveyed charge less than $5,500 in annual tuition, and more than half of private high schools surveyed charge less than $6,300. Across the largest five districts, the average tuition was approximately $7,700.The survey estimates that additional seat capacity across all grades in the 219 schools that responded is between 7,500 to 7,900 seats. According

[4] Given these response rates, the survey responses are not necessarily representative of all private schools in Tennessee.

to the Beacon Center, a loose extrapolation from this data indicates that there are approximately 20,000 available seats across the state.

Additional data points from the surveys are referenced throughout the report.

Choice landscape: In addition to private schools, Task Force members asked to look at the choice options currently available to students within public school systems in the state. A subcommittee of the Task Force met with district leaders from Hamilton County Schools, Knox County Schools, Memphis City Schools, and Metro Nashville Public Schools; Shelby County Schools shared information by email. The state's large urban districts offer different forms of choice, including charter schools, magnet programs, choice as required under No Child Left Behind (NCLB), and general transfer programs. There also are some specialized forms of choice that differ by district (for example, transfer options for children of district employees; transfer for specific course offerings, out-of-county transfer students with tuition). Memphis, Metro Nashville, and Hamilton have charter schools open within their districts; Knox has approved one charter school to open but it has not yet enrolled students. Prior to a 2011 change to the state's charter schools law, state and local caps limited the number of charter schools that could be authorized, and restrictions on eligibility prevented most students from attending charter schools.[5]

Each of the five largest districts offers magnet programs that provide a mix of selective and open enrollment. Public school choice with transportation funded by the district was previously required under NCLB for students in schools in need of improvement. When Tennessee received its waiver from certain provisions of NCLB in February 2012, Hamilton, Knox, Memphis and Metro Nashville decided to continue providing transportation services to those students currently exercising their transfer option for the 2012-13 school year. Knox, Memphis and Metro Nashville offer a general transfer option to any school within the district that has available seat capacity. District officials also shared some of the administrative and logistical challenges that policymakers should consider when designing any kind of choice program, such as the deliberate efforts needed to effectively communicate options to parents and families.

The different public school choice programs have varied results. For example, some magnet programs show very strong results, others are across the board and some are struggling. Knox County Schools studied the impact of NCLB choice extensively and found some improvement in outcomes for individual students, and sometimes for individual schools. Overall, the district found no statistically significant differences in academic results for students whether they attended their original zoned schools or new choice schools.

There was consensus among the Task Force that the private school landscape could support an opportunity scholarship program, and that current district choices—while adequate in some cases—did not fully meet families' demands.

[5] Tennessee Public Acts 2011, Chapter 466.

III. Program Design Elements

Each opportunity scholarship program has a unique combination of design elements that represent different prioritization of goals as well as the unique district or state contexts in which they operate. For each design element, this section outlines the most commonly discussed and potentially viable options, summarizes the Task Force discussions that took place and highlights points of consensus where they have emerged.

Accountability/Private school eligibility

The Task Force collectively agreed on the importance of accountability in structuring an opportunity scholarship program in Tennessee. After studying the various programs already in existence, it is evident that accountability measures for such programs fall on a spectrum. Three potential paths that the Task Force considered represent the range of options on accountability:

- **Option 1**: Establish a rigorous set of requirements that private schools must meet in order to be eligible to participate in the program.

- **Option 2:** Allow only accredited private schools to participate in the program, and then require that private schools administer either a national norm-referenced test or the designated Tennessee state assessment.

- **Option 3**: Option 2 plus an additional level of accountability, which would limit or cease a private school's participation in the scholarship program if the school was not performing well.

Option 1 is an accountability system that relies solely upon eligibility barriers put up on the front end to limit which private schools can participate. There are various eligibility requirements to consider in choosing this option, including the use of the non-public school accreditation system (see Appendix G for more details), financial audits and proof of financial viability. By setting a rigorous bar for entry into the program, the state would attempt to avoid situations in which it is replacing a student's one failing educational environment with another, and ensure that the options available to students in the program would be high quality. While Dr. Howard Fuller encouraged rigorous standards, he noted that the downside of implementing eligibility requirements is that it can create bureaucracy, and an overly bureaucratic approval process could deter high-quality schools from participating. Additionally, it might limit the ability for new private schools to open and meet market demand. For example, if the program requires that a private school fall within one of the five accreditation categories for non-public schools, new private schools could not participate, as a school must be open at least three years to begin the accreditation process. Of the 15 opportunity scholarship programs across the United States, only five rely on eligibility requirements alone as a form of accountability.

Option 2 would incorporate two levels of accountability: (1) limiting private school eligibility based on accreditation alone, a streamlined version of the eligibility requirements listed

in Option 1 above; and (2) measuring and sharing student achievement results. In Tennessee, there are five categories in which non-public schools fall, based on their accreditation (See Appendix G for category descriptions). Category I schools are the only schools that currently administer the state exams to their students.

Non-Public Schools	**# of Schools**	**# of Students***
Category I	146	6,016
Category I	*80*	*3,679*
Category I – Special Purpose	*66*	*2,337*
Category II	135	31,838
Category III	117	46,615
Category IV	204	33,490
Category V	20	1,326
Totals	**623 schools**	**119,285 students**

The advantage of only requiring accreditation is that it is simple and clear to private schools whether or not they can participate in the program, and it builds on an existing process rather than creating new hurdles for schools wishing to participate. The potential downside is two-fold: (1) not all accreditation processes are the same, so it would be worth considering the rigor of each of the accreditation processes; and (2) as aforementioned, accreditation can be a lengthy process, so it might limit new, quality private schools from opening up to meet market demand. One way existing programs have addressed this last concern is to limit the number of scholarship students that new private schools can enroll in the first years of operation. Dr. Patrick Wolf supports the idea of "earned autonomy," and suggests that schools that have not withstood the accountability of the free-market should be subject to more regulation. To this end, Louisiana schools that have been open less than two years cannot accept scholarship students as more than 20 percent of their total enrollment. The majority of Task Force members agreed with limiting how many scholarship students new schools could enroll.

The second portion of this option would provide back-end accountability by requiring that private schools that take part in the scholarship program administer either the state assessments or national norm-referenced tests. Because of Tennessee's focus on student growth, the Task Force agreed that being able to measure a participating student's value-added performance is critical; however, there was some debate about whether that should be done solely through the state assessments or if private schools could choose to use a national norm-referenced test for which the state could retrieve value-added results. The majority of Task Force members felt that rigor and growth data was more important than mandating a particular test, especially since the state assessments are changing in the next two years. When the state assessment changes to Partnership for Assessment of Readiness for College and Careers (PARCC), the Task Force showed strong support for saying non-public schools should administer the new, more rigorous PARCC exam. The Task Force agreed that growth data on scholarship students should be made publicly available to parents and families. Wolf also suggested collecting and reporting graduation rates and program persistence rates.

The Task Force discussed whether participating schools should have to administer assessments to all students or only to opportunity scholarship students. Some Task Force members noted that this may depend in part on the rationale for incorporating testing: if it is purely for accountability, then testing only participating students would be sufficient; however, if the purpose is to provide information to parents and families to help them make decisions about sending their students to a particular school, then a broader set of data would be valuable. In addition, if the opportunity scholarship program was initially introduced as a pilot program, assessment data that allows for accurate comparisons would be important for program evaluation. Requiring independent schools to administer certain tests to students who are not receiving any public funding, however, could limit the number of schools willing to participate in the program. Most existing opportunity scholarship programs that require standardized assessments only require scholarship students to take them (i.e., Ohio, Louisiana, Wisconsin, and Washington, DC).

Option 3 would be similar to Option 2, but would allow the state to limit which private schools could stay in the program based on performance. Both Indiana and Louisiana have structured their programs in this way. For example, Indiana's private schools, which have traditionally administered state assessments to all students even prior to an opportunity scholarship program, are graded on an A-F scale with results reported alongside public schools. Private schools that are rated D or F for more than two years are not allowed to accept new scholarship students. Louisiana requires non-public schools to administer state assessments only to scholarship students, and measures schools with at least 10 scholarship students per grade and a total of 40 or more students per school using a "scholarship cohort index," which is substantially similar to the "school performance score" it uses for public schools. Schools must maintain a cohort index score of 50 or higher to continue to accept scholarship students, and scores are publicly reported.[6] Louisiana set minimum numbers of participating students for a school to fall within this accountability system to ensure sufficient data is available to make a determination, but estimates that 60 to 65 percent of schools and more than 90 percent of scholarship students will be included within this accountability system. The value in creating this type of accountability system is that the state can ensure that students are not moving from one failing environment to another. The downside is that it requires the state to have greater oversight of the private schools. In this scenario, there is less emphasis on the idea that parental choice itself serves as a check on the system (in that parents can choose to move their child to another school if the school is not performing well).

Other considerations. Decisions on program evaluation are largely tied into the conversation on program accountability. While this design element is covered in greater detail later in this report, it is important to keep in mind that the two ideas go somewhat hand-in-hand. The metrics used to measure the success of the program and how to actually capture those metrics—whether through data reports to the department of education and legislature, an online report card, or a study of the program by an outside research body—are part and parcel of an accountability system.

[6] Louisiana Department of Education. (2012). Louisiana scholarship program accountability system: Frequently asked questions. Retrieved from http://www.louisianaschools.net/topics/scholarships_faqs.html.

The Task Force also discussed accountability as it relates to districts which could potentially be affected by students taking advantage of the scholarship program. To address high-performing students who might move out of the system, Commissioner Huffman noted that the department of education could remove those students from the district's baseline so that their departure would not mask any improvement that the district made. This particular concern could be addressed in department policy rather than in legislation.

One additional idea that the Task Force considered is whether students who participate in an opportunity scholarship program could use their scholarship at a public school either within or across district lines. Louisiana allows public schools that are rated as an A or B to accept any opportunity scholarship students just as private schools do. The benefit of allowing scholarship students to attend other public schools is that it potentially expands the options available to families; however, just as with private schools, the program would need to establish public school eligibility requirements, and districts could choose to opt in or out of the program.

Task Force recommendations. There was consensus among the Task Force that establishing an eligibility requirement for private schools is important, though it could be established through accreditation or another type of application. There also was consensus that scholarship students should also have the option of attending a public school either within or across district lines, assuming there was space available, the district opted in to participate and the school met eligibility criteria that would be defined in the future. Finally, there was consensus among the Task Force members that accountability through testing and results should be required for participating schools. Because of the transition to new state assessments over the next two years, the majority of Task Force members felt that private schools should be allowed to administer either the state assessments or rigorous national norm-referenced assessments for which the state could gather value-added data.

Student eligibility/Program capacity

The Task Force also discussed participant eligibility. As the options below indicate, programs determine student eligibility by income levels, school/district performance or both. In addition, some programs set caps on the number of students that can participate, and run a lottery if more students apply to the program than there are scholarships available.

- **Option 1:** Any student attending a low-performing school would be eligible for an opportunity scholarship. "Low-performing" could be defined as priority schools (under the state's new accountability system, priority schools are those in the bottom five percent of schools in the state as measured by overall proficiency rates), the bottom 10 percent of schools or another definition.

- **Option 2:** Any student attending a district that has a set number of priority schools would be eligible for an opportunity scholarship. This number could be one school or could be set at some other threshold. It could also be coupled with an income requirement.

- **Option 3:** Any student in the state with a family income below a certain threshold (such as eligibility for free or reduced price lunch) would be eligible for an opportunity scholarship. The program could initially be capped at a certain number that could rise over time. This option could also target students with previous low performance, so that any student with a family income below a certain threshold and who has scored below basic on the state assessment (or another definition of struggling academic performance) could be eligible.

Option 1's primary strength is that it focuses on providing opportunities for students in the lowest-performing schools in the state, and in doing so, also complements other significant reform initiatives in Tennessee, including the Achievement School District (ASD) and district-led Innovation Zones, both of which are efforts to turn around the bottom 5 percent of schools in the state. Although both the ASD and the Innovation Zones are intended to create options for students in these schools, they are scaling slowly over time to ensure effective implementation and quality. As a result, there are significant numbers of students who remain in the lowest-performing schools in the state without any meaningful alternatives. An opportunity scholarship program focused on priority schools would provide an additional option for those students and one that is potentially available on a quicker timeline. The major drawbacks of this option are the challenges of ensuring parents are aware that they are eligible for this opportunity, and potential volatility in the eligibility criteria as schools move in or out of the bottom 5 percent category or other definition of low-performing schools. Because this eligibility is based on individual schools, it can be much more challenging to communicate than broader categories, such as a district or statewide eligibility based on income. In addition, proponents of choice as a goal in and of itself argue that limiting a program to low-performing schools is too narrow and that families without means in other schools should also be able to access choice. Some Task Force members felt strongly that eligibility should be defined by low-performing status, whether the bottom five percent of schools or some other number, because these are the students who most need other options. Others were persuaded by arguments regarding the administrative challenges of such criteria and urged considering a district or statewide model. They also felt that drawing a line at the bottom 5 percent ignored the overall low performance of schools across the state.

Option 2 is similar to option 1 in complementing the state's other initiatives for priority schools. In addition, it provides greater clarity for parents and greater ease of communication. Finally, it can reduce some volatility. For example, if a student attends an elementary school that is in the bottom 5 percent but is zoned to a middle school in the sixth percentile, under option 1, he might no longer be eligible for a scholarship, while in option 2, he would remain eligible. However, this volatility concern could also be addressed separately through a "once in, always in" policy, as discussed further below. Option 2 may also depend on one's view on the goal of the program. Some Task Force members felt that a district model shifted focus too much from the goal of improving academic outcomes. In addition, some Task Force members felt that a district model in particular seemed to unfairly draw a distinction between districts that had one or a few low-performing schools and districts that had none, regardless of the overall performance of the district. On the other hand, those who are focused on choice as a goal of the program may not view this as an issue,

particularly if eligibility included an income requirement so that the program was still providing a choice to a group of parents who may not otherwise have had one.

Option 3 has the benefit of extending an opportunity scholarship program to students across the state with a family income below a certain income threshold. Although the bottom five percent of schools are the lowest performing schools in the state, it is also true that Tennessee's statewide performance on the National Assessment of Educational Progress for fourth grade math ranks 46th in the country. Given this poor performance, there may be families in schools across the state seeking alternatives for their students.[7] Some Task Force members proposed the additional criteria of a student's past performance at a below basic level or other definition of struggling low performance, as it would define eligibility based on individual students rather than the performance of a school. In addition, statewide eligibility would likely further the potential indirect effects of choice on the education system as a whole, by introducing more widespread competition. Studies of existing programs have generally found modest positive effects on achievement for direct participants, and a more significant positive impact on graduation rate (see Appendix D for an overview of research on opportunity scholarship programs). The Center on Education Policy reviewed research studies on the indirect effects of opportunity scholarship programs on the district or state as a whole and concluded that, "In some cities or states with voucher programs, gains in student achievement were greater in public schools most affected by voucher competition than in other public schools," but also cautioned that causation can be difficult to draw since most districts or states implement these programs as part of much broader reform strategies.[8] Finally, some Task Force members felt that clarity and ease in communication for families was a significant benefit, since eligibility for free and reduced price lunch is a common and easily understood threshold.

Other considerations. Other states with opportunity scholarship programs have included some or all of the following policies in defining student eligibility:

- **Consideration 1:** "Once in, always in" policies may be used to guard against potential volatility in eligibility criteria.
 - For example, if the eligibility criteria were defined around priority schools, a child in the first grade might be eligible for and choose to use an opportunity scholarship. When she reaches the fourth grade, the school may have improved enough that it is no longer in the bottom 5 percent of schools in the state. A "once in, always in" policy would allow that child to continuing using the scholarship at her private school for either the duration of that school's grade span, or for the duration of her K-12 education, depending on how it was defined.

[7] National Center for Education Statistics. (2011). National assessment of educational progress at grades 4 and 8: Reading and mathematics 2011. Rep. no 2012-459. Based on percent of students scoring proficient or advanced on the fourth grade math assessment.

[8] Center on Education Policy. (July 2011). Keeping informed about school vouchers: A review of major developments and research, p. 6. Retrieved from http://www.cep-dc.org/cfcontent_file.cfm?Attachment=Usher%5FVoucher%5F072711%2Epdf.

- Similarly, if the criteria were defined around eligibility for free or reduced price lunch and a child's family income increased to just over the threshold, a once in always in policy would allow her to continue to use an opportunity scholarship for either the duration of his school's grade span or for his entire K-12 education.

The benefit is that this reduces volatility for students and the negative consequences that research has shown accompany a child when they move from school to school. The drawback is that a K-12 "once in, always in" policy could keep another eligible student from getting a scholarship if there were a cap on the program.

- **Consideration 2:** Some states have chosen to require prior enrollment in a public K-12 school. Indiana has chosen to limit eligibility to students who were previously enrolled in public school for at least one semester in order to ensure that families who would not have otherwise had the wherewithal to enroll their children in a private school are able to use the scholarships. The benefit is that this requirement verifies need. The drawback is that it builds in at least one move from one school to another for young children (rather than, for example, allowing them to begin kindergarten in a private school), which carries with it some negative consequences. Louisiana requires participating students to have been previously enrolled in a public K-12 school or to be kindergarten students who otherwise meet eligibility criteria.

- **Consideration 3:** A final consideration is whether or not to cap the overall size of the program in addition to other eligibility requirements. Indiana's opportunity scholarship program had a cap of 7,500 students in the first year, 15,000 students in the second year and no cap after that point. Louisiana did not cap the number of students who could participate at the outset, but the participation was limited based on the number of available seats in private schools for which students had expressed interest. Wolf noted that if a cap were in place and a lottery used, it would create ideal conditions for meaningful research with a control group for purposes of program evaluation. To do so, there would need to be at least 1,000 students who participated in a program, and 1,000 students who had sought to participate but not received a scholarship.

Task Force recommendations. There was consensus among the Task Force on several considerations with regard to student eligibility: the program should focus on low-income students, eligibility should be limited to students previously enrolled in public schools, there should be a "once in, always in" policy, with consensus but not unanimity that the scholarship should last a student's entire K-12 career, and a program should begin at a smaller number that allows for meaningful research and expand over time.

There was a range of opinions among Task Force members about what the basis of student eligibility should be among the options noted above. Among some members, there was significant interest in basing eligibility criteria on priority schools, at least at the outset of the program, given the alignment with the state's other reform efforts. One option would be to begin with the priority schools and expand eligibility over time to the bottom 10 or 15 percent of schools, or another measure of low performance. Another option that could be used in place of or in addition to priority

schools would be to limit overall participation, with a cap that rises gradually over time. With both of these options, the Task Force members agreed that expansion of the program should depend upon program evaluation results. Other Task Force members felt that these restrictions were too limiting and that a program should have a broader reach.

Amount of scholarship

The conversation on scholarship amount involves several determinations, including how much the scholarship is worth, the nature of how it is funded, whether private schools can charge above the scholarship and if the amount of the scholarship should vary depending on means. There are three primary ways the Task Force discussed structuring the scholarship amount:

- **Option 1:** Set the scholarship at a fixed dollar amount, such as the average statewide per-pupil amount of $6,182.

- **Option 2:** Base the scholarship on the full per-pupil expenditure of a student's home district.

- **Option 3:** Base the scholarship on the BEP, meaning the state portion and the required local match, excluding any additional local funding beyond the required match.

Option 1 allows the state to set a fixed dollar amount for a private school scholarship. One way of doing this is to set it at the average statewide BEP per-pupil amount for 2012-13, which is $6,182. Wisconsin's program set its scholarship amount at a fixed $6,442 for the 2010-11 school year, and it increases every year by the same percentage increase as the funding given to the state's public schools. Similarly, Ohio and Washington, D.C. set their scholarship caps at $4,250 and $8,000 for grades K-8 and $5,000 and $12,000 for grades 9-12, respectively. One of the greatest benefits of a fixed dollar scholarship is its simplicity—it is easily communicated and easily understood. The potential downside of a fixed dollar amount is that it does not account for differences in cost of living from county to county. Assuming the fixed rate could not be any higher than the total BEP funding per pupil for affected areas, this could create complications for students in higher cost districts.

Option 2 and 3 allow the amount of money a student receives to vary based on school district lines. Louisiana's scholarship amount depends upon the student's district: it equals non-public school tuition and fees, up to the maximum total state and local funding per student for the district in question. In discussing this particular option, the Task Force was split on the nature of how this scholarship should be funded. Some Task Force members suggested that, just as with charter schools, the full per-pupil amount should travel with the child, including state funding, the local required match and any additional dollars the locals choose to spend per pupil. This would allow for a larger scholarship amount per child that could potentially cover transportation costs. If the private school did not provide transportation, it would then be required to reimburse that money to the student to use toward another form of transportation. Other Task Force members felt strongly that the scholarship amount should not exceed the sum of state funding and the required

local BEP match, since the additional funds that counties and municipalities spend are not required dollars. There was not consensus on the nature of funding, but the Task Force did hear a suggestion from Wolf to not create a formula that holds the districts completely harmless, as was done in Washington, D.C.; there, the district retained all of its per-pupil funding even when a student moved out of the system. There was also discussion among the Task Force that the availability of transportation may impact which students could take advantage of an opportunity scholarship program.

Other considerations. There are several other policy considerations with which states that have opportunity scholarship programs have spent time deliberating.

- **Consideration 1:** In order to comply with the Establishment Clause of the U.S. Constitution, the scholarship amount cannot exceed the amount the private school charges per student; however, scholarship programs have defined private school cost differently. Some programs equate cost with tuition while others allow cost to equal tuition plus fees and the cost of transportation. Wisconsin's law says that the scholarship amount must be the lesser of a fixed amount or the private school's operating and debt service cost per student, which is determined by an independent auditor each year.

- **Consideration 2:** Another consideration is whether private schools must accept the scholarship amount as payment in full. In this scenario, private schools can still set their tuition at a higher level, but they commit to covering the difference between tuition and the scholarship amount on their own. Louisiana has required private schools to accept the voucher as full payment. Some Task Force members felt that not including this requirement would limit families' ability to participate in the program, since schools could choose to require a contribution and potentially create different options for those who could afford to make the contribution versus those who could not. Additionally, while a monetary contribution ensures families contribute a tangible investment in their child's education, members felt there were other ways to accomplish this given the variety of costs associated with educating a child.

 Alternatively, as in Washington, D.C. and Indiana, private schools can ask families to make some contribution in addition to the voucher amount. Even so, Wolf shared that only two schools in Washington, D.C. asked families to make an additional contribution. According to the Beacon Center's survey of Tennessee private schools, almost three-fourths of the schools surveyed said they would participate in the program even if the scholarship only covered 90 percent of the cost. Some Task Force members felt strongly that requiring private schools to accept the scholarship amount as payment in full might limit the number of schools from which to choose as some schools would only be willing to participate if they could charge more than the cost of tuition.

Task Force recommendations. Between a fixed-dollar scholarship and one that varied based on a student's district, the Task Force members spent the majority of time discussing the latter.

There was no consensus on the nature of funding for the scholarship: some members believed that the funding should be limited to the state share of the BEP and the required local match, while others felt strongly that any additional local dollars spent on top of the local match should also follow the child. There was consensus among the Task Force, though not unanimity, that private schools should be required to accept the voucher as payment in full.

Program administration

Overall, the Task Force did not spend as much time delving into program administration, which includes everything from when the program would begin to who would be in charge of running the program, how information on the program would be disseminated and how its results would be shared. Task Force members voiced that program implementation is paramount to the success of the program and that communication with families and educators is key to effective implementation. In discussions on program administration, the Task Force spent the majority of time talking about when a program would begin.

- **Option 1**: Launch a program in the same calendar year that it is passed by the legislature (e.g., if passed in spring 2013, students would begin using opportunity scholarships in August 2013 for the 2013-14 school year).

- **Option 2**: Incorporate a year to plan and launch the program in the following calendar year (e.g., if passed in spring 2013, students would begin using opportunity scholarships in August 2014 for the 2014-15 school year).

Option 1 has the benefit of ensuring the positive effects of the program begin as quickly as possible. Indiana and Louisiana recently launched or greatly expanded their opportunity scholarship programs on this timeline and had nearly 4,000 and nearly 5,000 students enrolled through the programs in the first year, respectively. On the other hand, launching a program potentially requires significant work in establishing a verification and/or screening process for private schools wishing to participate; launching a communication campaign to ensure families are aware of the opportunity; creating and operating an application, lottery, and enrollment process; and establishing payment mechanisms directly to the school.

Option 2 has the benefit of allowing a year to take the administrative steps needed to launch a program. It would also allow additional time to communicate with parents and families and ensure they had ample time to consider their options. It might also allow for greater initial participation. The major negative consequence would be delaying the beneficial effects of the program for a year, both for participating students, and any indirect effects for the system as a whole. Some Task Force members felt strongly that a program should be launched as quickly as possible given the benefits of a program and the fact that other states' programs have shown no negative effects on districts and the public school system.[9] They felt that a delay would be

[9] Center on Education Policy. (July 2011). Keeping informed about school vouchers: A review of major developments and research, p. 10-11. Retrieved from http://www.cep-dc.org/cfcontent_file.cfm?Attachment=Usher%5FVoucher%5F072711%2Epdf .

unnecessary and unhelpful. Other Task Force members argued that while we can learn lessons about policy and design from other states, the success of the program will ultimately depend on thoughtful implementation, which could require more time and planning. Finally, some Task Force members felt that the ideal timeline would depend on the size of the program, how easy it is to administer, and whether it is a pilot or not.

Other considerations. Other states with opportunity scholarship programs administer the program through their state departments of education, with one to two dedicated staff members who also lead cross-functional teams of existing staff members from different programmatic areas.

Task Force recommendations. There was not clear consensus among the Task Force between the two options noted above, but there was consensus that this element should depend upon the student eligibility decision. If the program started relatively small in terms of scope, it would be easier to launch sooner; however, a larger program would require more time to plan and implement.

Program evaluation

In addition to accountability for participating schools, program evaluation is crucial in determining the success of the program itself. As was done for both Milwaukee's and Washington, D.C.'s opportunity scholarship programs, Tennessee might choose to commission an independent longitudinal evaluation of the program. Task Force members agreed that these evaluation results should then be used to decide the program's future. They also agreed that in order for an evaluation to be effective for determining whether a program should expand, the pilot or initial phase of the program should be designed with a view toward what the ultimate scale and reach of the program might be. If there is a disconnect between the designs of the two, particularly in student eligibility and the composition of participating schools, the evaluation results would not help predict what the program might look like at scale.

In addition to considering who evaluates the program, the Task Force discussed which metrics should be used to measure the program's success. Defining measures of success for this design element is dependent upon the ultimate goals that are emphasized in a Tennessee-specific program. For example, a program focused on improving academic outcomes for participating students would look to academic achievement measures such as performance on state assessments or national standardized assessments. A program focused on indirect improvement for the system as a whole might define success as improvement in academic outcomes for the sending school or district. A program focused on choice might look at participation rates and the satisfaction of parents and students. In conversations with the Task Force, Wolf suggested the following three measures be used to evaluate the success of a scholarship program: value-added assessment results, graduation rates and program continuation rates.

IV. Conclusion

Over the past eight months, the Task Force on Opportunity Scholarships for Tennessee has taken an in-depth look at opportunity scholarship programs and engaged in meaningful conversations about the best design for Tennessee. The Task Force's charge was not to debate the merits or downfalls of a scholarship program, as this will play out in the Tennessee legislature if a bill is proposed; rather, the governor asked this group to explore opportunity scholarship programs and determine the best design for this state, particularly given the current education reform landscape.

This report captures the conversations had by the Task Force on major considerations in designing a scholarship program: accountability and private school eligibility, student eligibility and program capacity, the amount of the scholarship, program administration and program evaluation. The options laid out for each design element are meant to provide the governor with the spectrum of choices available and how each would fit into the Tennessee education landscape. While the Task Force did not reach unanimity on each design element, this report provides a thorough list of considerations in weighing one option against another. It is the Task Force's hope that this document provides the governor with the information he needs as he makes a decision about the future of an opportunity scholarship program in Tennessee.

APPENDIX A

The media release from the Office of the Governor, establishing the Task Force on Opportunity Scholarships, is included on the following page.

BILL HASLAM
GOVERNOR
STATE OF TENNESSEE

FOR IMMEDIATE RELEASE:
Thursday, December 15, 2011

CONTACT: Yvette Martinez or David Smith
OFFICE: (615) 741-3763

HASLAM ANNOUNCES TASK FORCE TO EXAMINE OPPORTUNITY SCHOLARSHIPS

Group charged with identifying program that would work for Tennessee

NASHVILLE – Tennessee Gov. Bill Haslam today announced the formation of a task force to make recommendations on what an opportunity scholarship initiative might look like in Tennessee based on the best available research.

The committee will be tasked with looking at how a program would fit into Tennessee's overall education reform strategy and that seeks to provide meaningful education options to disadvantaged students.

"I support school choice options and believe that opportunity scholarships could be an impactful tool in Tennessee," Haslam said. "We should offer alternatives to low-income students and their parents who may feel stuck in failing schools. Charter schools have been a significant part of that process, and it is appropriate to explore additional opportunities.

"There is still work to be done, however, in identifying what an opportunity scholarship program should look like here, and I think those discussions need to happen before legislation is pursued any further in this session. First and foremost, any new program must complement our ongoing efforts to reform education," Haslam continued.

Members of the Governor's Task Force on Opportunity Scholarships for Tennessee include:

Kevin Huffman, Commissioner of Education
Chris Barbic, Achievement School District Superintendent
Gary Nixon, Executive Director of the State Board of Education
Ron Zimmer, Associate Professor of Public Policy and Education at Vanderbilt University
Sen. Brian Kelsey (R-Germantown), Lt. Gov. Ron Ramsey's (R-Blountville) designee
Rep. Richard Montgomery (R-Sevierville), House Speaker Beth Harwell's (R-Nashville) designee
Jamie Woodson, president & CEO of the State Collaborative on Reforming Education (SCORE)
A representative from the Coalition of Large School Systems (CLASS)
A representative from the independent school community

The committee will engage a variety of stakeholders including parents, education professionals and business leaders throughout the process and will be charged with presenting recommendations to the governor in the fall of 2012.

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APPENDIX B

The following chart includes a summary of design elements in some of the opportunity scholarship programs from around the country that the Task Force examined, as well as the Task Force's recommendations based on points of consensus.

	LOUISIANA SCHOLARSHIP PROGRAM[i]	INDIANA CHOICE SCHOLARSHIP PROGRAM[ii]	WISCONSIN'S MILWAUKEE CHOICE PROGRAM[iii]	*OSTF RECOMMENDATIONS FOR TENNESSEE PROGRAM*
START DATE AND PARTICIPATION	Expanded statewide in 2012 4,944 scholarships awarded in 2012-13 117 schools participating in 2012-13	Enacted in 2011 3,919 scholarships awarded in 2011-12 241 schools participating in 2011-12	Enacted in 1990 23,198 scholarships awarded in 2011-12 106 schools participating in 2011-12	
PRIVATE SCHOOL ELIGIBILITY/ ACCOUNTABILITY	**Initial eligibility, assessment/data, and ongoing participation requirements:** - Private schools apply and must meet eligibility criteria on financial practice and other areas. - Schools are required to administer the state assessments to scholarship students. - Schools must maintain a "scholarship cohort index" score of 50 to continue accepting scholarship students. **Other requirements:** - Schools open fewer than two years cannot accept scholarship students as more than 20 percent of total enrollment. - Schools are not permitted to apply selective enrollment criteria to scholarship students.	**Initial eligibility, assessment/data, and ongoing participation requirements:** - Private schools must be accredited by either the state board or a national/regional accreditation agency recognized by the SBOE. - All private schools in Indiana already administer the state norm-referenced test (ISTEP). The schools must report their data to the state for an A-F rating based on test scores and grad rate. - Schools that receive a "D or F" for 2 or more consecutive years cannot accept new students. **Other requirements:** - Schools are permitted to apply selective enrollment criteria.	**Initial eligibility and assessment/data requirements:** - Accreditation required within 3 years of participating in program. - Schools must provide evidence of financial viability and submit a financial audit. - Schools are required to administer the state assessments to scholarship students. **Other requirements:** - Schools are not permitted to apply selective enrollment criteria to scholarship students.	Consensus that program should include **initial eligibility and assessment/data requirements:** - Schools should establish initial eligibility, whether through state's current non-public school accreditation process or other application. - Schools should be required to administer assessments to scholarship students and report results, whether national norm-referenced assessments or state assessments.
STUDENT ELIGIBILITY/ PROGRAM CAPACITY	**Low-performing schools and means-tested:** Any child in a C, D, or F rated public school state-wide, whose family has an AGI of up to 250% of the fed poverty level [covers approximately 1/3 of the students in the state]. Student must have previously attended a C, D, or F rated public school or be a kindergarten student who meets income requirement. If more students apply than the program will allow, participation will be determined by random lottery.	**Means-tested:** Two-tier system: Students of families eligible for free-and-reduced lunch (FRL) receive a full scholarship. Students of families with incomes up to 150% of FRL receive a partial scholarship. Student must have been attending public school for at least two semesters. Cap of 7,500 in first year (2011-12), 15,000 in second year (2012-13), and no cap in third year (2013-14).	**Means-tested:** Students are eligible to receive a scholarship if their family's income is below 300% of the federal poverty level. Private school students are also eligible to receive the scholarship. No caps.	Consensus that program should focus on low-income students and not have universal eligibility. Options on eligibility are one of the following two or a combination: - **Means-tested:** Students below an income threshold are eligible statewide. Overall cap on number of students that grows each year up to a threshold for study. - **Low-performing schools:** Students in the bottom 5 percent of schools are eligible in the first year, and threshold increases over time to the bottom 10 or 15 percent or other definition of low performance.

	LOUISIANA SCHOLARSHIP PROGRAM	INDIANA CHOICE SCHOLARSHIP PROGRAM	WISCONSIN'S MILWAUKEE CHOICE PROGRAM	*OSTF RECOMMENDATIONS FOR TENNESSEE PROGRAM*
AMOUNT OF SCHOLARSHIP	The lesser of the following options: - Tuition and fees of private school - Full amount of the state's Minimum Foundation Program (includes state and local expenditures). Average scholarship amount for 2012-13 school year: $5,300. Private schools must accept scholarship as payment in full.	The lesser of the following options: - Tuition and fees of private school - 90% of state tuition amount for first tier of students (100% FRL); 50% of state tuition amount for second tier of students (150% FRL) - $4,500 for students in grades 1-8 Private school can charge an additional amount on top of scholarship payment.	The lesser of the following options: - Private school's per student cost, including operating expenses and debt service - $6,442 Private school may charge additional tuition if both of the following apply: (a) the student is in grades 9 through 12; and (b) the family income of the student exceeds 220% of the federal poverty level.	On the nature of funding, the Task Force discussed one of the following two options: - Limit funding to the state share of the BEP and the required local match - Funding should include the state share, the local match, and any additional local dollars spent on top of the local match Consensus that scholarship should be accepted as payment in full.
PROGRAM ADMINISTRATION	Expanded from New Orleans to statewide program in April 2012, scholarships awarded for 2012-13 school year.	Enacted in May 2011, scholarships awarded for 2011-12 school year.	Enacted in 1990, scholarships awarded for the 1990-91 school year.	Timeline should be based on the scope of the program.
PROGRAM EVALUATION	The Louisiana Department of Education is required to produce a report with information on demand, retention, overall performance, and other pieces of information, but no specific consequences or actions are defined.	The Indiana Department of Education will publish and regularly update the list of eligible schools based on school performance (i.e., A-F rating system).	Wisconsin's Legislative Audit Bureau has issued several reports on the performance of students in the program. In addition, the state commissioned Dr. Patrick Wolf to complete an independent longitudinal evaluation of the program, released in 2012.	Program evaluation should be based on the goals of the program. Could include academic outcomes for participating students and/or students in sending districts, graduation rates, participation and persistence rates, parent/student satisfaction, or a combination thereof.

[i] Information on the Louisiana Student Scholarships for Excellent Education was retrieved from the Louisiana Department of Education website, Friedman Foundation for Educational Choice website, and an interview with Nicholas Bolt, deputy chief of staff, Louisiana Department of Education.

[ii] Alliance for School Choice, "Indiana: Choice Scholarship Program," in *School Choice Now: The Year of School Choice* (Washington, D.C.: Alliance for School Choice, 2012), 52.

[iii] Alliance for School Choice, "Wisconsin: Milwaukee Parental Choice Program," in *School Choice Now: The Year of School Choice* (Washington, D.C.: Alliance for School Choice, 2012), 67.

APPENDIX C

Minutes from each meeting of the Task Force on Opportunity Scholarships are included on the following pages.

Governor Haslam's Task Force on Opportunity Scholarships
Minutes from the 1st Meeting
March 2, 2012

Members Present:
Governor Bill Haslam, Commissioner Kevin Huffman, Chairman, Mr. Chris Barbic, Dr. Gary Nixon, Dr. Ronald Zimmer, Sen. Brian Kelsey, Rep. Harry Brooks, Ms. Indya Kincannon, Dr. Mary McDonald

Members Absent:
Ms. Jamie Woodson

The first meeting of the Governor's Task Force on Opportunity Scholarships was held on March 2, 2012 at the Capitol. Commissioner Kevin Huffman, Chairman, called the meeting to order at 9:44 am. Governor Haslam thanked the task force for serving. Introductions of the members and visitors were made.

Governor Haslam explained that the purpose of the task force is not to make a recommendation about whether vouchers are good or bad, but rather to help think through what an effective system for Tennessee could look like. He stated that there is a time and place to hear from all sides on the debate, but this group should focus on the mission at hand. He thanked the members again for their willingness to serve.

Commissioner Huffman gave a brief presentation about the state of education and education reform in Tennessee currently, as a frame for thinking about the right design and how it might fit in. He focused on current achievement results, and a stark achievement gap between African American and white students, and also between students who qualify for free and reduced lunch and their peers, and how school-level results show this stratification by income and race. He described the 4 strategic priorities for the work of the state department of education:

- Expand kids' access to effective teachers and leaders.
- Expand families' access to effective schools.
- Expand educators' access to resources and best practices.
- Expand public access to information and data.

He noted that he views our work as non-ideological, with a commitment to do what works and stop doing what does not work, and that as the governor said, that opportunity scholarships could play a role in helping the state, not as a silver bullet, but as one more thing that might have an impact on results, if designed in the right way, for the right group of kids. He asked Chris Barbic, superintendent of the Achievement School District (ASD), to speak about the work of the ASD.

Chris Barbic spoke about how schools became eligible for the ASD under the old No Child Left Behind rules, and how the waiver changed that definition so that only the bottom 5% of schools (85 schools total) would be eligible. He noted that the schools are now clustered in three regions, with 69 in Memphis, 9 in Metro, 7 in Hamilton County, and that the definition is now easier to understand because it's based on students scoring proficient and advanced on TCAP and End of Course assessments.
He noted that the goal is to move schools from the bottom 5 percent to the top 25 percent. He spoke about how the ASD will work with six schools next year, but there are 85 priority schools where we have said the school is not working but are not yet taking direct action, and that's where he sees room for opportunity scholarships to play a role.

Commissioner Huffman asked for questions. Representative Brooks asked that we look at Kentucky and North Carolina, two states cited by Commissioner Huffman in his presentation as doing far better with low-income students than Tennessee. Commissioner Huffman noted that he and his staff met with Kentucky's commissioner and team the previous week, and heard that many of the steps we're taking are ones that Kentucky took 8-10 years ago and are now seeing the pay-off, which was heartening.

Commissioner Huffman asked Senator Kelsey to talk about his legislation, the history of how he got engaged, and what the bill proposed. Senator Kelsey described the Equal Opportunity Scholarship Act, which passed Senate in April 2011.

- Participation: He noted that he had assumed well over half the eligible students would seek to participate, but past experience shows that in the first years, one can only expect 1-2% participation, capping out at participation of about 15% of students, depending on the design of the program.
- Form of voucher: He spoke to the question of whether to do a tax credit or straight voucher, which depends on whether the state constitution in question includes a Blaine Amendment. Tennessee does not, so the bill is based on a straight voucher, which has been upheld by the U.S. Supreme Court as not violating the Establishment Clause.
- Eligibility: He spoke about eligibility, based on geography and income. The bill calls for limiting eligibility to the four largest counties and the ASD, where most existing private schools are located, as well as to students qualifying for free and reduced price lunch. He noted that with both criteria, the trend in other states is toward expanding eligibility more broadly.
- Amount: The amount proposed in the bill is 50% of current per pupil expenditures, both state and local, but this is an area that can be explored further, especially based on what will be enough for private school tuitions since some schools will provide supplemental scholarships and others will not.
- Accountability: Three relevant forms of accountability: administrative, financial, and academic. Administrative accountability requires schools to be subject to all health, zoning, and non-discrimination standards. Financial accountability requires posting a bond to show a certain amount of financial stability. On academic accountability, the bill chose to leave it up to parents. If schools are not performing, parents will not send their students. A proposed amendment in the House considered some sort of standardized tests be used, whether ERB, Iowa, Stanford, or TCAP.

Senator Kelsey also noted that there are many national experts who are willing to come and assist the task force in exploring these issues.

Commissioner Huffman asked Dr. Ron Zimmer from Vanderbilt University to speak about some of the research and data available, and how to consider the issues. Dr. Zimmer noted that he sees his role as providing information, while it is up to others to make the tough decision on what to do with design of the program. For today, he provided materials with a summary of the policy decisions in current programs in place across the country, as well as an article about how to think about design decisions and trade-offs between four criteria: freedom of choice, productive efficiency, equity, and social cohesion. He also suggested a Rick Hess article as basis for future discussions.

Commissioner Huffman then laid out the process for future meetings. He noted that the goal is in November to provide the governor with a menu of options and information for him to consider in making choices and decisions. He noted that we are planning three formal meetings where the task force would meet in person, tentatively at the beginning of June, mid-summer, and September, with the final report in November. He also noted that the department of education would help bring in experts and provide further readings and materials. Representative Brooks asked whether an additional meeting could be added for November to do a final review of the report, and Commissioner Huffman agreed.

Commissioner Huffman asked for thoughts on what kinds of information people would want to review prior to the next meeting, and which experts we want to invite.

Indya Kincannon asked that the task force consider issues of equity and how to ensure that the program does not lead to cherry-picking, and augments choices for low-income families, rather than subsidizing families who already have the wherewithal to make those choices. Chris Barbic noted that he'd like to know more about seat capacity in private schools, and where it exists. Representative Brooks added that he would like to know more about the academic results and socioeconomic breakdown in schools.

Dr. Zimmer responded that of the students across the country who participate in voucher programs, 90% are African American, 9% Hispanic; their families' average income is $17,000. He also noted that generally parents taking advantage of voucher programs are the most-educated parents, which may be related to the process and information sharing. He also noted that in Milwaukee, a number of private schools have popped up over time, and that it would be interesting to look at the results of the second generation of private schools compared to the first generation that were in existence prior to voucher programs. Commissioner Huffman noted that Howard Fuller can speak to the Milwaukee program, as well as the question of whether you view parent choice as a sufficient right in and of itself, regardless of whether the end outcome is that much better. Fuller describes the goal as improved academic outcomes, but also views choice itself as a civil rights issue.

Mary McDonald noted that along with seat capacity, the task force should look at the accreditation of schools, how they're accredited and by whom. She also noted that Tennessee has had a privately funded voucher program in Memphis for 12 years, the Memphis Opportunity Scholarship Trust. The average tuition is $6200, and under Senator Kelsey's bill, a Memphis student would get $5400 (50% of total per pupil amount). In the Memphis program, 87% of students are African American, with the remainder being Asian, Caucasian, Hispanic; 97% are on free and reduced price lunch, and 87% of them are raised by a single parent.

Senator Kelsey also suggested looking at nontraditional measures of student performance. In DC, they looked at graduation rates of students on an opportunity scholarship as opposed to similarly situated students, and a U.S. Department of Education study showed 12-20% higher graduation rate. He also suggested looking at ACT scores, or factors like school safety which parents list as extremely important (even if equal performance between schools, parents prefer students attend the safer one). Representative Brooks noted that we should look at Tennessee results and NAEP scores.

Senator Kelsey noted that it may be difficult to get data from every school on accountability. The amount of information varies by state and depends on the history of regulation in private schools. Tennessee does not have much of a history of regulation, so may not be able to get as much information. He also noted that his bill provided complete public school choice as well as private school opportunities, allowing complete choice up to capacity and then a lottery system. In addition, the 50% of funding that does not follow the child reverts back to the school system; in all other states he knows of, the funding goes back to the state.

Indya Kincannon noted that in addition to seat capacity and academic data on private schools, the task force should look at the amount of choice currently available within the system through charters, magnets, transfer policies, and the Achievement School District. She noted that Knox County already has choice up to capacity, but does not provide transportation. It's an interesting point on the history of regulation, given how easy it has traditionally been to start a private school. This has benefits in meeting needs quickly, but also risks, and it is unclear the extent to which the private sector will accept the greater regulation that is the only way to get the information needed to let taxpayers know that their investment is going to effective teachers and academic outcomes. Commissioner Huffman noted that some designs require private schools to agree to certain accountability that wouldn't otherwise be in place. Ronald Zimmer noted that Milwaukee did not require accountability of private schools, but was able to get them to agree to voluntarily provide test scores.

Chris Barbic said that we can learn a lot from charters. We have seen that allowing them to open too easily leads to bad results. States with quality charters make authorization very difficult, but then allow flexibility; they make schools prove they have the ability and then get out of the way. If new schools are being created, we have to do the up-front work of ensuring they're the right people with the right reasons and the wherewithal to operate schools. Also, we need to figure out what we're trying to accomplish. Ronald Zimmer said two things: the inherent value of parents having a choice, but also putting pressure on the system. He does not see this program putting pressure on the system to make it get better; if it's about pressure, will get much further with charter schools than the 5-8% of the population going to private schools. For him, it's really about access to better schools for kids; pressure is additional benefit but not ultimately part of what we're trying to do. He noted that this doesn't mean we shouldn't have opportunity scholarships, as he believes that access to education is very important.

Ronald Zimmer noted that not only voucher advocates but also charter advocates have said that the goal is pressure on the system to change. Nationally, 2% of students go to charter schools, but the idea is that it creates systemic effects despite the small percentage.

Commissioner Huffman noted that it would be useful to pull out studies and research that department staff looked at last summer; broadly, it seemed like the impact was modest but positive, and there was an additional positive of high parent satisfaction. Furthermore, the existing public system did not crumble or suffer as a result of the programs implemented. He noted that his take is similar to Chris's, in thinking that this will not be the single lever for change, but is modestly optimistic that it could be a lever for impact. As a baseline, must ensure that the program will be system-neutral and won't negatively impact academic outcomes.

Chris Barbic noted that charters have to defend against charges of "creaming" top students, and those are public schools. The public scrutiny and need to defend results will be even higher with private schools.

Senator Kelsey described one quick slide from Florida that the group might find helpful. Jeb Bush was very big on the idea of a positive effect on the system. The Florida voucher program only applied to schools that earned an F grade two years in a row. The slide compared F schools to D schools, one year after earning the grade. One would think the D schools would outperform the F schools, but the F schools actually outperformed D schools by 3-5 % points. This is modest growth, but they were doing better than schools they had been worse than in the previous year. Florida saw this same trend for 5 years in a row, until the year the state supreme court struck down the program and then F schools no longer outperformed the D schools. Representative Brooks asked if the F grade was still a qualification for the voucher program. Senator Kelsey noted that they've now expanded the criteria. Commissioner Huffman noted that their new proposal pegs to a new grading system. Indya Kincannon asked whether students zoned to failing schools are eligible for vouchers, regardless of whether they themselves are struggling. Commissioner Huffman answered that this is correct, that individual students might be doing well, but that the odds are slim. Indya Kincannon noted that she has seen this happen.

Representative Brooks noted that the current ALEC resolution is based on pure parent choice, but that in Tennessee, we have to look at whether we want the program to be based on choice or based on academic improvement. He noted that Jefferson County, Kentucky has a unique choice concept, and very different results from Memphis despite having similar populations in Louisville and Memphis. He noted that the task force should look at statewide choice, even for adjacent school districts. He noted that if there are root issues of organization, leadership, powerbase, moving schools within the same system may not help.

Indya Kincannon noted that she would appreciate Dr. Zimmer's help in fully understanding data, and helping the task force be discerning consumers of data. She also noted that she had heard good things about Wake County, North Carolina in improving outcomes for low-income students. They have choice with school clusters, but she is not sure if they also have a private school option. They might be interesting to learn more about.

Commissioner Huffman noted that we focus on a handful of areas for reading, materials, and research, including:

- The current private school landscape. Data, information, whatever we can get.
- The current choice options in Tennessee, the landscape currently offered, and to what extent it's being used.
- Preeminent research on voucher programs that exist in other parts of country, and speaking to people from the best programs.

He thought it would be useful to have 2 people who have actually worked in some of these programs and systems early on, and suggested Howard Fuller and someone from Florida or Indiana; experts who can say this is what we did, this is what worked and didn't, this is how we tinkered with the system. Indya Kincannon added that it would be good if they could also speak to the impact, if any, on public schools—positive, negative, neutral. Mary McDonald suggested Scott Jensen as an additional person to speak with, and Senator Kelsey suggested he and Howard Fuller come together as they have worked together. Chris Barbic requested

someone who has done tactical work on the ground, in addition to the philosophy. Gary Nixon requested hearing about academic accountability, and what people require, and Mary McDonald added accreditation as well.

The meeting was adjourned at 11:12 am.

Governor Haslam's Task Force on Opportunity Scholarships
Minutes from the 2nd Meeting
June 14, 2012

Members Present:

Commissioner Kevin Huffman, Chairman, Mr. Chris Barbic, Dr. Gary Nixon, Dr. Ronald Zimmer, Rep. Harry Brooks, Ms. Indya Kincannon, Dr. Mary McDonald, Ms. Jamie Woodson.

Sen. Jim Summerville attended in place of absent member, Sen. Brian Kelsey

The second meeting of the Governor's Task Force on Opportunity Scholarships was held on June 14, 2012 at the Tennessee Department of Education. Commissioner Kevin Huffman, Chairman, called the meeting to order at 2:06 pm.

Commissioner Huffman reminded task force members of their charge: not to debate whether to have a program, but consider recommendations to make about potential design elements of a Tennessee-specific opportunity scholarship program. He stated that the next meeting will take place on August 16 with outside experts on programs in other parts of the country. He also noted there will be a meeting for stakeholders to share comments and thoughts in the future.

He stated that this meeting would focus on the private school landscape and the choice landscape within the public school systems in Tennessee. Members expressed wanting to establish a current fact base on these two issues, as well as to gather more information about programs in other states, and this meeting was focused specifically on Tennessee with the outside programs as the focus for August. He noted that the task force would break into two subcommittees, and each group had experts with information to consider.

He reviewed a draft outline for a potential design of the final opportunity scholarship task force report to be submitted to the governor's office. He noted that while we will not determine goals for the program, we will note two potential goals within the report and describe how they might inform design recommendations. The first potential goal is choice itself, as a philosophical construct. The second potential goal is academic performance, both directly for the students in the program and indirectly for students who are not participating. From there, we move to Tennessee context and the fact base around private school landscape and the choice landscape. These facts should inform recommendations about potential design elements for an opportunity scholarship program.

He opened up the meeting for discussion about report outline. Ms. Indya Kincannon noted that the design element of eligibility should also be connected to the private school landscape in the outline. Dr. Ronald Zimmer noted that the report needed to include lessons learned from other places. Commissioner agreed that the report should specifically include these lessons learned, with different programs and what their results have been. Ms. Jamie Woodson noted that as part of program evaluation, the report should have a clear standard from the start for what success will look like, and what measurements will be used. Senator Jim Summerville noted that the report should make clear that choice and academic performance are not mutually exclusive goals.

At this point, the task force broke into two subcommittees, one on the current choice landscape in Tennessee and one on private schools in Tennessee. Notes from both subcommittees are included below.

Concurrent Subcommittee Work Time: Choice landscape
The choice landscape subcommittee consisted of four members from the task force:

- Mr. Chris Barbic
- Sen. Jim Summerville (in place of Sen. Brian Kelsey)
- Rep. Harry Brooks

- Ms. Jamie Woodson

In addition, four staff members from large districts were asked to sit in on this committee to share information about their current choice programs and to answer questions of the private school subcommittee. Those four individuals were:

- Mr. John Barker (Chief of Staff, Memphis City Schools)
- Dr. Jim McIntyre (Superintendent, Knox County Schools)
- Dr. Lee McDade (Assistant Superintendent, Hamilton County Schools)
- Mr. Chris Weber (Director, Student Assignment Services, Metro Nashville Public Schools)

Hanseul Kang, chief of staff at the Tennessee Department of Education, also sat in on this meeting to provide context for the data that the group would be exploring.

Memphis City Schools
Mr. John Barker described the current choice landscape in Memphis City Schools. Of 102,798 students enrolled in MCS, 37 percent of them have exercised a choice option. From the Transition Planning Commission's draft report, it is the intent of the TPC for these options to continue after the merger with Shelby County as well. Nearly 6000 students are in charter schools. Open enrollment choice, where schools with extra seats allow students to come on first come first serve basis, is used by 11,000 students. Exceptional children attend schools with different levels of programming. NCLB choice is relatively small compared to other options, given other choices available. Optional schools are a big deal with 13,368 students exercising this choice. Special programs are more nuanced, specific situations (e.g., parenting programs for students who have children). Success schools are for particular needs or treatments. Transition programs are for students transferring from juvenile justice. PREP academies are for high school students behind two or more grade levels. He noted that performance data included in the data summary provided by MCS shows optional programming has been academically successful.

Dr. Zimmer asked about the distinction between optional and open-enrollment programs. Mr. Barker replied that while open enrollment is first come, first served for any reason, optional programs require qualifying for specific requirements, whether academic or behavioral, and are more in line with a magnet program.

Mr. Chris Barbic noted that there are obviously more kids who want to get in than there is space, and asked whether there is data on where kids go who don't get in to their chosen program? Mr. Barker noted that students typically have list a first and second alternative, and 95% get 1st or 2nd alternative. Dr. Zimmer noted that in another major district where he has conducted research, there's usually a lottery in elementary school, and he had found that 93 percent of students that won stayed in district while only 75 percent of those who lost stayed in district. In other words, 18 percent of that group left the district but likely would have stayed if they had gotten in. He asked whether Memphis City Schools had seen anything similar in earlier grades? Mr. Barker noted that he did not have these statistics, but that given the substantial number of students who have options and exercise choice, he didn't believe their numbers would be as high. Rep. Harry Brooks asked if this was a specific situation or a broad reality, and Dr. Zimmer replied that this was a particular urban district on the East Coast that wanted to remain anonymous.

Rep. Brooks asked whether the district provided transportation for these choice options. Mr. Barker replied that the district provided transportation for NCLB choice and for exceptional children, but not the other options.

Knox County Schools
Dr. Jim McIntyre, superintendent, noted that his district had done considerable analysis, especially around NCLB choice. He noted that when looking at the landscape in Knox, there are 3 or 4 main types of choice: 1) NCLB choice, currently used by 457 students; 2) magnet and magnet transfer (he noted that many magnet schools are partly geographic/zoned schools and are partly choice); 3) general transfer, where students can apply to any school with open seats, can apply (the district considers particular priorities in granting these requests including children of teachers at a given school, siblings, programs of study that are not available

elsewhere, and a new preference for students form priority schools under the new waiver—6 percent of the population or 3000 students are served by this option and the district is able to accommodate 70 percent of students in one of their top choices; 4) there is one charter school that has been approved and is not yet open (none are currently open).

He noted that overall, 8-10 percent of students have taken advantage of the opportunity for choice. He also noted that there is additional capacity in current programs if a greater percentage of students applied. Knox does not provide transportation for general transfers. The district has done extensive analysis on its NCLB choice program and found that some discernible patterns for individual students, and sometimes for individual schools, in terms of academic achievement, but overall no statistically significant differences meaning that students experienced similar academic results in receiving and sending schools.

Metro Nashville Public Schools
Mr. Chris Weber, Director of Student Assignment Services noted that Metro has a fall application process historically known as the lottery, with random selection to place applicants in 31 schools. This year they had 15,000 applications (but because students can apply for multiple schools, there were fewer individual students applying), and currently 11,000 students are placed through this program that includes magnet schools, and schools where demand exceeds seats. Metro also has a spring application, known as open enrollment, for schools with extra capacity. This year, they placed all 1500 students who applied in this process in one of their top three choices. In the upcoming year, they are streamlining this process and moving to one choice window, all online, with approximately 64 schools participating. People will be able to prioritize up to 7 schools; based on past data, that number should ensure everyone who applies is admitted at one of their choices. There are also 15 charter schools in Metro, and for NCLB choice, 800 students participated last year, 600 will this year since they are grandfathered in. They also have students with zoned options, when they are located between two zoned schools. They also have a few specific programs for continuity, hardship circumstances, siblings. Overall, 25 percent of students participate in some choice option.

Metro provides transportation to magnet schools for students on free and reduced price lunch through a free MTA bus pass, at a cost of $500,000 per year. For zoned option schools, where a student

Hamilton County
Dr. Lee McDade, assistant superintendent noted that Hamilton County currently has 3 charters, with 1 more approved that has not yet opened. It also has magnet programs, an arts program that requires auditions, others that take all comers. They also allow hardship transfers, and have about 35 students a year who use out of county transfers. 10 percent of eligible students use NCLB choice. There is a new STEM school coming online next year that will take 78 kids in first year.

Open discussion
Dr. McIntyre emphasized the importance of transportation in this conversation, saying choice is an important priority that Knox has tried to address, but transportation and costs are important. He encouraged the group to think about funding for transportation, since districts have structures in place to offer choices, but transportation is a barrier.

Jamie Woodson asked about whether there are variations in student achievement among various options. Dr. McIntyre said that in Knox, for NCLB choice, there are individual kids who did better, or not as well, or cases where overall achievement for a group improved, but nothing statistically significant overall. He said that magnet programs are interesting; Knox has had them since the early 1990s and expanded them substantially in the last two years with IB and a new STEM academy, and are now seeing really good outcomes from those, but have others where outcomes are not as strong. The district has not done analysis on general transfers, but has a working assumption that it would be similar to NCLB.

Mr. Barker noted that Memphis included data on optional programs in their packet. On charters, they have the most diverse set of operators in state, such that some students may have been better off staying in their zoned school given some charters are close to priority status, but Power Center is the top charter in the state with TVAAS scores making it very evident those students made the right choice. He also noted that optional

schools are pretty uniformly beneficial. The Transition Planning Commission has talked about making these kinds of options available within schools to ramp up advanced academics broadly. Dr. Zimmer noted that when students switch in to a school, it's hard to tease out what is improvement in those students, and what is the baseline overall performance for the school. Mr. Barker replied that the data is overall for the school, and not at the level of individual students.

Mr. Weber noted that it is not always easy to tell when parents have exercised a choice or not, when they remain at their zoned school. For example, lots of magnets are also partially zoned schools, so hard to tell when parents made the active choice to remain there, even if they didn't make a change. Ms. Woodson asked how many schools are purely magnet (as opposed to partially zoned), and Mr. Weber replied that 30 schools are purely magnet, with another 5 or 6 specialty schools. These numbers do not include the 15 charters.

Mr. Barbic noted that it is great to have a superintendent's perspective, and that the superintendents are creating a market within their districts and creating some competition. He asked, when you think about that from a management perspective, the goal is not choice, the goal is quality choice. How do you know if a program is working? Which ones are doing a great job and which ones are just choice on paper? Mr. Barker replied that Memphis has been the only district to act to close a charter, following a state law allowing this action after three years of non-performance in academic data. He noted that districts can monitor the data, but the concern is that 10-year charters provide a long run.

Mr. Barbic noted that with schools, parents will still send kids whether performance is low or not, and we cannot just let the market rule, and asked how you decide what to do. Dr. McIntyre replied that it is about belief that every child can be successful, but there might need to be different pathways. Having multiple options/choices allows us to ensure there is at least that one pathway for every child. The pathways have to be high-quality, and we have struggled with some magnets that are unsuccessful. But you see demand drive some of that—the programs in highest demand are some of highest performing. Weber added that some of it is about improving diversity. School choice with priorities/preferences can help turn around a school. For example, John Early Museum Magnet guaranteed pathway into Hume Fogg for students who met the academic requirements, and this improved diversity, resulted in higher performing students, and improved overall school culture. Dr. McDade agreed, saying that Hamilton has seen some kids go to suburban high-performing school that did great and some who did not, and it is often not clear why a particular path does not work for a student.

Rep. Harry Brooks asked about some issues that have ended up in the legislature's lap with choice. He asked about the policy within an LEA when students transfer from school A to B. Dr. McDade replied that districts have to follow TSSAA rules that say if the student moves schools without changing addresses or being rezoned, he/she is ineligible. Principals can write for hardship, if the student transferred for a program not available at original school A.

Rep. Brooks also asked about the out-of-county transfers mentioned by Hamilton. Dr. McDade replied that since they are surrounded by a lot of smaller counties, some kids are just geographically closer to schools in Hamilton, so they choose to pay tuition and attend there. Brooks asked whether other LEAs have looked at inter-district choice. Dr. McIntyre noted there are some logistical challenges, but the Knox STEM academy will become a regional school over the next two years. He also noted that when thinking about governance structures, it is hard to invite other counties to come in when the district is trying to provide our kids with the best possible education. Dr. McDade added that in these cases, state money follows the student, but not local money. Mr. Weber noted further that per pupil funding is about two-thirds local (as opposed to state), so the majority of funding would not follow students in out-of-county. He stated that Davidson only allows out of county transfers if a family from Davidson County moves outside of it and has children who want to finish out the year, in which case the district allows parents to pay the local portion of tuition and remain in the Metro school. He went on to note that in situations like the Tennessee Virtual Academy in Union County that tracking, monitoring, and accountability can become very difficult. Mr. Barker added that Memphis City sees an opportunity to develop virtual opportunities and become a regional hub for students from surrounding counties.

Rep. Brooks asked whether special education affects out of county transfers? Mr. Weber responded that there are a few students for whom the district contracts to provide services, Dr. McIntyre responded that although he did not have hard numbers, there are many people who move to Knox because the district does with students with special needs, and Mr. Barker responded that Memphis City has a residential center for high needs students.

Dr. Zimmer asked whether the districts are tracking which types of students are taking advantage of choice opportunities, for example whether there are trends in whether the students are low-income or not, white or minority students. Mr. Barker noted that in Memphis, NCLB choice was by definition limited to those students in low-performing schools. Dr. McIntyre noted that Knox has some of this data but could not discern broad patterns.

Rep. Brooks asked what percent of students would be absorbed if the districts present expanded their programs, and how much expansion would be needed to absorb demand. Dr. McIntyre replied that it is hard to say because demand is dependent on quality and type of program. When Knox opened its new STEM academy, it had twice as many applicants as seats available because it is a high quality option, but other magnets continue to have seats available. Knox is looking to expand magnets substantially to make sure there are more pure magnet programs, as opposed to partial-magnet, partial-zoned schools, and ensure they are high-quality options. He believes demand is almost endless. Mr. Barbic noted that it will be interesting to see what happens with private school enrollment as Knox expands high-quality magnet options.

Rep. Brooks asked whether districts are planning to grow magnets to fill demand. Mr. Barker replied that Memphis has added 10 magnet schools in the past 4 years, that are filling up, and that 13,500 students are responding to existing programs. Dr. McIntyre said that Knox is also expanding, and looking to ensure multiple pathways for students. He noted that their private school enrollment is modest, with 90% of school age kids in public schools, but that they are still drawing kids out of private schools with the STEM academy and a new high school. Mr. Weber noted that Metro is also expanding, with schools re-formed with a goal of improving performance and increasing diversity (racial and socioeconomic).

Dr. Zimmer noted that one thing that might affect the design of an opportunity scholarship program is knowing how far students usually travel for options, and whether it varies depending on socioeconomic status. Mr. Weber said he does not have specific data but there can be differences in what distances students can travel (for example, elementary students who are not able to travel on a public bus on their own). Mr. Barker agreed that there can be differences, for example with clusters of low-performing schools that require traveling further to access other options. Dr. McIntyre replied that he does not have hard numbers but agreed that in his experience, travel can be a limiting factor especially for low-income students. Dr. McDade noted that Hamilton provides transportation for all its choice ptions other than students requesting a particular school for a particular reason.

Dr. McIntyre asked the task force to consider utilizing the choice options districts have in place and encouraging expansion of those options, with additional funding to be applied for transportation. He advocated for using dollars towards structures that are already in place.

Rep. Brooks requested that the task force look into the Jefferson County/Louisville choice program that has been in place for several decades.

Mr. Barbic asked task force members for thoughts about what kind of accountability should be considered. Dr. Zimmer noted that people strongly supportive of markets say that in theory, programs should offer as much flexibility as possible (including not requiring standardized tests since this provides greater flexibility). But he also noted that in practical terms, public money means standardized tests are a strong possibility. He added that the theory of choice is premised on the idea that you need information to make choices, and so test scores and other types of data (e.g., safety) may need to be available for families to make choices. Dr. McIntyre noted that this kind of information is available on the state report card and that Knox points families to that, while also providing information about available seats in a school compared to demand. Mr. Weber said that in Metro, they provide a book with school profiles—student/teacher ratios, academic emphasis, location,

etc.—and make a concerted effort to communicate the options and help parents pick among them. They also have a big kickoff event with all schools present for parents to meet staff and visit. Metro is in the process of developing a website for next year to help navigate options with different ways to filter choices. He emphasized that it is really difficult to inform parents of rights, help them navigate the process and make choices, and audit programs to ensure they are not cherry-picking and are marketing broadly. Dr. McIntyre stated that everything we do in public education is about academic achievement for kids, and so he is not sure why choice programs would not be. He argued that while there is a value in choice, it does not make sense talk about choice in isolation.

Mr. Barbic asked for thoughts about what students and schools should be eligible for an opportunity scholarships program, and reminded task force members that there are no preconceived notions here and the purpose of the task force is to put options on the table for the governor to decide. Mr. Barker noted that given the work of the Transition Planning Commission and the new unified Memphis/Shelby school system, it would be very challenging to implement a new program. Dr. Zimmer noted that some programs have limited eligibility to cases where the school is failing, or students are below poverty threshold.

Dr. McIntyre asked whether there would be limits on receiving schools and whether they could choose which students to accept. Mr. Weber asked who would implement the program, manage the application process and communication and outreach to families.

Rep. Brooks asked about accountability, and said that since the state has opted into an accountability model that we have said is the best for our state, that it should be mirrored program we adopt. This is important so we can consider whether any program is working. Ms. Woodson asked if accountability would just be a matter of public information and data, or whether it would be a part of determining eligibility. She further asked whether if it's a matter of eligibility, whether that should apply within the public system choice programs as well, since choice among low-performing options may not really be choice.

Concurrent Subcommittee Work Time: Private Schools
The private school subcommittee consisted of four members from the task force:

- Commissioner Huffman
- Ms. Indya Kincannon (representing CLASS)
- Dr. Gary Nixon
- Dr. Mary McDonald (representing non-public schools)

In addition, three private school experts were asked to sit in on this committee to supplement any information presented by Dr. Mary McDonald and to answer questions of the private school subcommittee. Those three individuals were:

- Dr. Rich Martin (Executive Director of TN Association of Independent Schools)
- Ms. Marcy Tidwell (Director of Non-Public Schools at the TN Department of Education)
- Mr. William Slater (Headmaster of Henderson Christian Academy)

Jayme Place, education policy analyst from the Governor's Office, also sat in on this meeting to provide context for the data that the group would be exploring.

Commissioner Huffman began the subcommittee work time by reminding the group to reflect on the private school data in front of them and to begin considering how it will influence design elements in an opportunity scholarship program in Tennessee. Ms. Place then asked the subcommittee members to pull out the private school data in their folders. She reminded them that if the group had more data requests then that information could certainly be collected. Additionally, the group needed to look at the data with an eye for questions they might have for the experts coming to the August 16th meeting.

The private school experts, including Dr. McDonald, introduced themselves to the group and indicated with which group of non-public schools they are most familiar: for Dr. McDonald, it is the Catholic schools; for Dr. Martin, it is the Independent schools; for Dr. Slater, it is the Christian schools, and for Ms. Tidwell, it is accreditation of all non-public schools.

Ms. Place then provided more detail on the data in front of the subcommittee. In particular, she noted that the questions from the first meeting pertaining to private schools centered around four main areas:

- Accreditation
- Accountability (testing)
- Cost/Tuition
- Seat Capacity

Ms. Place then noted that data for private schools is not centralized which makes it difficult to collect. As a result, in the large excel spreadsheet provided to members, there was sometimes only information on schools within the largest LEAs (Davidson, Knox, Shelby, Memphis, and Hamilton). For example, we were only able to collect tuition data for Davidson County and Memphis, but will continue to work to pull the data from other districts.

In addition to the large excel spreadsheet, the members received a memo from the Friedman Foundation that contained information from a survey sent out to 561 private schools at the task force's request. The response rate for the survey was 39% (219 private schools), and provided additional information on (1) measuring the potential interest in a private school voucher program; (2) determining the current regulations and testing programs already in effect for the schools; (3) calculating the average and median private school tuition; (4) documenting how many schools currently provide tuition assistance; and (5) establishing currently available seats and capacities to enroll additional students. The Friedman Foundation memo attempted to fill in gaps where data points were missing.

Accreditation and Accountability

Ms. Place then handed the conversation over to Ms. Tidwell to discuss accreditation and the various categories into which private schools fall. Ms. Tidwell explained the difference in the six non-public school categories:

- Category 1 schools are approved by the State Department of Education. Category 1-SP schools are Special Purpose schools encompassing some Pre-K programs and transient care facilities serving DCS students. These schools must be in compliance with the state.
- Category 2 schools are approved by a private school accrediting agency which has been approved by the Tennessee State Board of Education. Schools holding full accreditation status with an approved agency are approved by the State Department of Education. These schools must follow the guidelines of the accrediting agency. Currently, the following agencies have been approved by the State Board of Education:
 - Association of Christian Schools International (ACSI)
 - Catholic Diocese of Knoxville
 - Catholic Diocese of Memphis
 - Catholic Diocese of Nashville
 - E. A. Sutherland Educational Association
 - Harding Academy of Memphis
 - Mississippi Private School Association
 - Southern Conference of the Seventh Day Adventist
 - Tennessee Association of Christian Schools (TACS)
 - Tennessee Association of Non-Public Academic Schools (TANAS)
- Category 3 schools are approved by the Southern Association of Colleges and Schools (SACS) or one of the other 5 regional accrediting agencies.
- Category 4 schools are church-related schools as recognized by associations mentioned in TCA 49-50-801. They are not considered accredited, but are members of their associations. These are the

only schools that are allowed to have satellite locations. In the case of a satellite, a student might stay at home and have correspondence with a teacher. It is considered home-schooling with centralized assistance.
- Category 5 schools are Acknowledged for Operation.
- Category 6 provides for International schools associated with a state university and currently has no members.

After Ms. Tidwell presented information on the various categories, Commissioner Huffman asked the rationale for a private school seeking accreditation. Ms. Tidwell responded that Category 1, 1-SP, 2, and 3 schools are considered approved schools for children transferring from one school to another and children do not have to be tested for grade level or credit transfer. On the other hand, students who transfer from Category 4 and 5 schools back to public school must be tested to determine grade level and number of credits earned. Dr. Martin also said that anyone that wants to ensure parents that they offer a quality program wants to be accredited by an outside source. He also added that Category 3 schools have the least amount of state-driven responsibilities. The big five accrediting agencies are seen as the gold star in quality. Ms. Tidwell added that Category 2 schools are required to make their school improvement process open to the DOE. Commissioner Huffman then asked whether the categories are driven by statute or rule, and Ms. Tidwell said that they are decided by state board rule.

Commissioner Huffman looked back at the draft report outline and emphasized that accountability is critical. Dr. Martin said that to have schools held to a set of standards by an outside agency raises that school up a notch, because they are held to a higher standard than other schools not accredited by an agency. Mr. Slater added that there are certain criteria that need to be met by a private school. Ms. Kincannon mentioned, however, that accountability and performance are not directly correlated with the categories. She said that some of the Knoxville private schools on the list are Category 4, but have a great reputation in her district. Dr. McDonald responded that reputation is great, but it comes and goes based on the leader or teachers in the school. Dr. Martin said that reputation is not accountability and that Category 1, 2, and 3 provide for accountability, but Category 3 does not have to be the TCAP, the state's criterion-referenced assessment. An important thing to consider is that there would be no real testing vehicle in place for Category 4 and 5 schools. Commissioner Huffman chimed in that in the design you could impose accountability outside the categories (E1). Ms. Kincannon then asked if that measure could demonstrate value-added. Dr. Martin said not necessarily. Commissioner Huffman asked if we could use SAS to draw value-added results from private schools.

Dr. McDonald then pointed the group to page 9 of the Friedman Foundation report which showed that 64% of schools give a norm-referenced test, and 14% of those schools that give norm-referenced test give the TCAP. Ms. Kincannon commented that there are two types of accountability: (1) Is this school a safe place with certified teachers? (2) Will this school improve my student's understanding? She said that she thinks accreditation can ensure the answer to the first question, but not necessarily the second. Dr. Martin emphasized that there are really three options for student-performance accountability: (1) private schools do not have to do anything, (2) private schools have to have students meet a certain performance level, or (3) private schools have to offer value-added information. Commissioner Huffman, Ms. Kincannon, and Dr. McDonald seemed to agree on the importance of value-added.

Quality of Private Schools

Commissioner Huffman then asked if we have results on how private schools are doing (Q1). McDonald responded that, in her experience, you have to report data to the head person or office. She said you also have to make the SACS data public. Tidwell added that Category 1 schools do not have to report their numbers to the state.

Kincannon pointed out that people can create private schools if the need arises. She asked if the task force needs to ensure that these new schools are high quality or is it okay if they are just "fly by night." She mentioned that in order to be good stewards of public money, she believes that we should make sure the private school is a strong institution.

The experts added that one way to address the issue of quality is that a school must be in existence for one year before it can begin the accreditation process. Several of the experts noted that the time frame is about three years before a school is fully accredited. Kincannon added that the task force should probably then include the accreditation piece in the design to avoid sending money to fly-by-night schools.

Kincannon then asked about whether or not a kid in Hamilton County will be allowed to go to Bradley County if there is not private school in their district? McDonald thought this should be allowed, as did Huffman.

Tuition

Commissioner Huffman then asked, when thinking about design options, how much should be offered to students. Kincannon noted that it is good to know what has worked well, but also, she would like to know the cautionary tales (E2). Place suggested that this would be a good thing for the experts to help the task force members understand. Another question to ask the experts is what other systems have done around the money following the child (E3). It's one thing to say that the money will follow the child, it's another to see it actually in practice. Martin added that in Louisiana, there is a lot of money that follows the special needs child. Summerville asked if it's not the philosophy of the group that the money comes from the parent and student and follows the child.

Kincannon then asked if in the design options, the task force should consider using the money for outside tutoring. Dr. Nixon added that this would be difficult to do because then there wouldn't be money to pay for the actual education of the child. As in, there is not extra money to pay for both the education of the child and additional math tutorials. McDonald added that they didn't think the point of the task force was to enhance a student's education where they are, but to allow them to move to another school.

One member requested that we pull data on scholarship amounts (Q2). According to the Friedman Foundation report, about 87% of the private schools surveyed offer some sort of financial assistance. The majority of the schools (61%) have no more than 25% of their student population receiving tuition help. Kincannon also asked about the capacity of private individual organizations to contribute to existing private school structures. She wondered if there was role for the private sector in contributing money (E4).

Seat Capacity and Admissions Requirements

Dr. Martin noted that seat capacity seems to be the big question of the day. According to the Friedman Foundation survey, 26% of the schools surveyed said they would "maybe" participate in a voucher program. He added that if 26% of the schools said "maybe," then it is probably because of concerns around how the money actually flows to the school. For some schools, it could be a deal breaker. Some schools want it to come from the family to the private school not from the state of Tennessee to the private school. He said that even the flow of money will affect a school's willingness to accept students.

Huffman then asked about admission requirements and open enrollment. He noted that seat capacity is a valuable piece of information, but the task force needs to know more about who would actually get into these schools. Dr. Martin added that the task force should gather more information on admissions requirements, especially at faith-based schools (Q3).

Martin noted that a lot of private schools are willing to work with some of the toughest student, but there can be issues with behavior. He added that, in his experience, a school might not take a certain child, because it'd be setting them up for failure.

Parent Information

Commissioner Huffman mentioned that information for parents is a big concern of his. He asked about how the task force can make sure parents have the information they need about school quality. Commissioner Huffman voiced that he cares more about tests and how transparent scores are than he does about accreditation. Dr. McDonald echoed Commissioner Huffman's sentiment about making sure that parents are able to make informed decisions. She said that one of the things she would like to see the task force do is set up a database where they can share out information for parents. Summerville noted that a similar proposal was made about charter schools, and that he too agrees there should be a similar one for private schools.

Dr. McDonald added that the task force needs to think about the communication process, in general, for the opportunity scholarship program. How do we communicate to parents what is being made available and where they go for additional information on the scholarships? How do we communicate new opportunities?

The last thing mentioned was the idea of a pilot program. McDonald added that we would need a means for measuring the pilot and the control group. Summerville then asked that if a pilot were created, that it includes a rural sight, not just urban. Huffman mentioned that we could just do the schools in the bottom 5%, the priority schools.

After the subcommittees' work time, Commissioner Huffman brought the group back together to share takeaways. Mary McDonald noted that in the private schools subcommittee, they reviewed data collected by the Friedman Foundation in a survey that measured the potential interest of private schools in an opportunity scholarship program, determined current regulations of testing programs, and looked at tuition and seats available. The foundation surveyed 600 schools with a 39% response rate. There were some questions left unanswered. The survey had lots of data on current costs, but accreditation for each school, seat capacity available if a school wanted to enter into an opportunity scholarship program, and accountability factors had fewer details. The majority of schools do give standardized tests, but questions remain about how that data would that be disseminated and what other accountability might be needed. The group also discussed questions for experts in next meeting, centering around what has not worked, so we do not repeat mistakes in design of program, how money flows, length of scholarships, and who is eligible.

Chris Barbic reported out for the public school choice subcommittee noting that we were lucky to have district representatives present to talk about a wide range of current choice programs. In Memphis, close to 40 percent of kids are exercising choice. The group talked a lot about transportation as a potential limiting factor, and the idea of having a scholarship to cover transportation costs rather than tuition to exercise choices that already exist. The group also talked a little bit about accountability and eligibility. There were some remaining questions, including looking at the distances that different types of students are willing to travel to exercise choice, with the potential of differential preferences across income levels and race. Rep. Brooks also asked the group to look into Jefferson County.

Commissioner Huffman reminded the group that there is pre-reading before the August meeting to inform the conversation with experts. He thanked everyone for coming, especially those who traveled, and stated that the task force is looking forward to further discussions.

Governor Haslam's Task Force on Opportunity Scholarships
Minutes from the 3rd Meeting
August 16, 2012

Members Present:
Commissioner Kevin Huffman, Dr. Gary Nixon, Dr. Ronald Zimmer, Sen. Brian Kelsey, Rep. Harry Brooks, Ms. Jamie Woodson, Dr. Mary McDonald, Mr. Chris Barbic (by telephone)

Members Absent:
Ms. Indya Kincannon

The third meeting of the Governor's Task Force on Opportunity Scholarships was held on August 16, 2012 at the Tennessee Department of Education.

Commissioner Kevin Huffman, Chairman, called the meeting to order at 2:05 pm.

Commissioner Huffman started by reminding everybody of the charge of the task force. The charge is not to debate the question of whether or not having an opportunity scholarship program is a good idea; rather it is to consider different design elements for a Tennessee-specific program for the Governor's consideration. He continued, saying that the last few meetings were spent discussing Tennessee's private school and current choice landscape and that they have been looking forward to discussing potential design elements and hearing from experts.

Commissioner Huffman announced the date and time of the next meeting: Wednesday, September 26 at 2:00 p.m. He also announced that there will be a meeting at the end of September/beginning of October to engage stakeholders in discussion.

Commissioner Huffman reviewed the draft design of what a final report might look like.

Scott Jensen, Senior Advisor for Government Affairs at the American Federation for Children (AFC), began by talking about the programs on which he has worked and with which he is familiar. He referenced an annual publication of AFC, which catalogues choice programs across the country and illustrates how these various programs approached choice. He stated that 12 new voucher programs were added in 2012 to the 21 that already existed. He gave a brief background of his work experience. He detailed the first voucher program, which started in Milwaukee. There were lots of mistakes at first, but now it is a high-quality, functioning program. Today, 25,000 children in Minnesota have access to school choice. In the 2011-12 school year, 210,000 children had access across the nation, and probably a quarter of a million children will in the upcoming year. Mr. Jensen encouraged the committee:

(1) to link amounts to school costs, not school tuition because the former is often higher and therefore basing the amount on tuition means a loss of funds with each child enrolled;
(2) to think about including means testing for different groups (with different amounts for different groups) to manage scarce resources;
(3) to create a program big enough that it addresses the needs of the market. The best schools in the country want to go to a large program because they want to expand. He noted that the Milwaukee parental choice program is the largest and is the product of hundreds of millions of dollars of investment;
(4) to create scholarships that make private schools affordable for all parents, and thus extend into the middle class. As an example, he cited the Wisconsin voucher program, which was originally only for students eligible for free-and-reduced price lunch. This year, Wisconsin expanded to 300% of federal poverty level. Many program designers use free-and-reduced price lunch in program design formula;
(5) to be cautious about creating a pilot program as he thinks they are less effective because the market needs stability, certainty;
(6) to have a child's qualifications last for the entirety of their schooling through graduation, regardless of changes in family income or the performance level of the school; and

(7) to make the program easy to understand: the application process should be fairly simple. It should not be a hurdle for parents. It should also be easy for schools to participate.

Jensen also commented that he thinks voucher programs are more effective than tax credits.

Rep. Harry Brooks asked Mr. Jensen if Milwaukee was initially a pilot program. Mr. Jensen answered affirmatively, noting that it first began with 341 kids in 7 schools and that the program took off when it became permanent and religious schools were allowed to be a part of the program.

Rep. Brooks than asked if they ultimately had to close particular public school buildings. Mr. Jensen said that some have closed, but that not all have closed due to vouchers: 25,000 kids have left to go to private schools, 14,000 have gone to charters, and the population has decreased overall in the city. The closings were also partly because of a decreased population.

Rep. Brooks asked Mr. Jensen if they had charter schools before the voucher program. Mr. Jensen said no. He stated that in his opinion, just expanding charter options is not the same as having a voucher program. Charter schools will put private schools out of business over time, which he views as a blow to the community.

Sen. Kelsey asked how the amount of scholarship has changed over time, and how that has affected the program. Mr. Jensen said that initially the amount was the state share of funding that went to schools. Over time, there was a freeze in funding and later cuts were made, and there has not been an increase in a long time. Currently the amount is approximately $6,400 per child. This has caused a problem at the high school level because high schools are more expensive to operate than elementary schools. Next year, they are proposing a bifurcation, with more funding for high schools.

Dr. Mary McDonald asked what guidelines were used to establish scholarship eligibility. Jensen said 300 percent of the federal poverty level. Dr. Wolf noted that the Governor of Wisconsin proposed not having an income cap, but reached a compromise to set it at 300 percent of the federal poverty level. Dr. Wolf added though that 85 percent of the students participating in the program would have been eligible under the original cap.

Dr. Ron Zimmer asked about how transportation and information should look for the program. Mr. Jensen said that there are 50 states and 50 different answers. Some states like Ohio provided transportation for every child going to public and private schools, even before choice programs. Some states don't provide any transportation to private schools. Jensen said that his organization suggests allowing people to include transportation costs in the school voucher. On information, Jensen said that there are two different philosophical approaches: the free market of Milton Friedman and the social justice philosophy. They come together in the case of voucher programs, but since there is not a functioning market in America, voucher programs have invested a lot of money to provide report cards and information to parents. Mr. Jensen believes parents should be able to review schools like they do mutual funds.

Ms. Jamie Woodson then asked if test scores are the only factor for consideration, or if safety was also a consideration. Mr. Jensen said that parents put kids in schools for different reasons. Programs should measure and provide information on parental satisfaction, value-added test scores, and graduation rates.

Commissioner Huffman asked what the participation rate looks like by income level. Mr. Jensen said that even when income levels have been expanded, overwhelmingly, participation comes from the bottom of the income bracket. Mr. John Schoenig agreed, stating that Indiana has a two-tier system. The first tier is for families up to the point of eligibility for free-and-reduced price lunch. These families receive a full voucher for tuition and fees, at an amount of up to 90 percent of state aid (capped at $4,500 for K-8 schools). The second tier is for families up to 150 percent of eligibility for free-and-reduced price lunch that receive a voucher for half the amount of the first tier. Of the 3,919 students, the overwhelming majority are in the first, lower-income tier. This is a trend seen across the country.

Commissioner Huffman followed up to ask what the advantage is then for expanding programs across a wider range of income levels. Mr. Jensen said that this provides a choice for more families, and middle-income families need an option too. He added that having a different mix of kids has a social value. There is also a political value in that programs with participation from working and middle class have more grassroots support.

Rep. Brooks asked if private schools participating in the program can be for-profit. Mr. Jensen said yes, but there are not many for-profit programs. He thinks there is only one for-profit school in Milwaukee, and it is changing to nonprofit next year. Some states require nonprofit status.

Rep. Brooks asked what happens if tuition is less than the stated amount. Mr. Jensen answered that the schools only get the amount that covers costs, since anything more than that for faith-based programs would be an impermissible subsidy for religion.

Dr. Nixon asked if any program ever places excess voucher money into resources for parents, like computers. Mr. Jensen said that there is a brand new program in Arizona that allows parents to have 90% of state money put into a savings account which they can use to purchase equipment or software, access online coursework, etc. Also, allowing parents to carry the excess over into college cost gives them an incentive not to spend the entire grant.

Commissioner Huffman realized he had not recognized the legislators present in the audience, so he stopped to do so: Representative Bill Dunn and Senator Delores Gresham.

John Schoenig, the Director of the Program for K-12 Education Access at the University of Notre Dame spoke about the political/legislative side of how the Indiana program came about, the design of the program itself and review of first year results, and what preceded passage and implementation of the program. The choice scholarship program was not a stand-alone initiative. It was part of a large choice-focused initiative that included charter schools. Before passage of the Indiana choice program, there were approximately 390 non-public schools in the state. There were approximately 10,000 empty seats across the 180 Catholic schools in the state. In the program's first year, 3,919 students enrolled, despite the program beginning less than 50 days before enrollment cutoff.

Schoenig then made several points about the program's design:

(1) Regarding family and student eligibility, Indiana is a means-tested program, not a failing schools program. As noted above, all students who qualify for free-and-reduced price lunch are eligible for a full voucher, while those up to 150 percent of the free-and-reduced price lunch level are eligible for a half voucher.
(2) Regarding a student's continued eligibility, the child must meet one of three standards: the child has to have been enrolled in public school for the previous two semesters, received a voucher during the previous year, or received the tax credit scholarship that was already in place.
(3) Regarding school eligibility, the school has to be in-state, voluntarily agree to enroll eligible students, be accredited, agree to administer the state test, and submit to the Indiana Department of Education's A-F grading system.
(4) Regarding student eligibility, during its first year, the program was capped at 7,500 students. During year two (this year), the cap is at 15,000. Schoenig guessed that 10,000 students would take advantage of the program. For year three, there will be no cap.
(5) Regarding school accountability, the Indiana program uses an A-F scale for school grading.
 - Schools rated D or F for two consecutive years are suspended from accepting new students for one year.
 - Schools rated D or F for three consecutive years are not be allowed to take new students until they are rated a C or higher.
 - Schools rated D or F for four consecutive years have to be rated a C or higher for three consecutive years before they can accept new students.
(6) Regarding implementation, Schoenig believes that a program cannot start soon enough. Engaging parents takes a long time. The best ambassadors are people with social capital (e.g., important

community members like pastors, etc.). Two key lessons were learned during Indiana's program implementation: (1) favor means-tested program over failing schools eligibility, and (2) choice works. There is a latent demand for high-quality education options.

Dr. McDonald asked if the state test is administered to all students in private schools or just voucher students. Mr. Schoenig said the state test is given to all students in participating schools, but it's important to remember that almost all private schools in Indiana were already taking the state test.

Rep. Brooks asked why some states do not require all schools—even private schools—to administer the state test. Mr. Schoenig replied that some private schools are opposed because they think it drives their curriculum, and they want to avoid that.

Rep. Brooks asked what the motivation was for starting the program. Mr. Schoenig said that the Governor was concerned with Indiana's economy, and therefore the quality of academics.

Rep. Brooks asked about the administrative costs of the program. Mr. Schoenig stated that the Indiana Department of Education administers the program with one full-time employee. Mr. Jensen added that in Wisconsin there are now two full-time employees and the program has been administrated for 20 years.

Rep. Brooks asked if Mr. Schoenig could elaborate on the different types of choice programs available. Mr. Schoenig listed voucher programs, tax credit programs, and scholarship programs where foundations give money to scholarship-granting organizations and the state provides a credit on the donation. Rep. Brooks asked what accreditation is required. Mr. Schoenig replied the accreditation could be national, regional, or state.

Dr. Nixon asked if the siblings of students already in the voucher program get preferential treatment. Mr. Schoenig said that in Indiana, siblings often go to different schools because there is no sibling preference there. Mr. Jensen noted that most programs include a sibling preference. Dr. Nixon noted that there is research that lays out the cost to students of switching schools.

Ms. Jamie Woodson asked if determining the goal for the program influences the model. Mr. Schoenig answered that he thinks so. Governor Daniels decided he could either go with a watered down program without much impact or an aggressive program. Both would face opposition, so he went with the latter.

Ms. Woodson asked what constitutes "success" for a voucher program and what metrics should be used to measure success. Mr. Jensen said that you could have a number of goals. For example, if choice is the goal, you can use metrics such as parental satisfaction. Alternatively, if academic progress is the goal, you can use academic accountability measures. Policy design is influenced by the goals.

Sen. Kelsey asked if there was an equalizing formula for funding. Mr. Jensen replied that some states, like Wisconsin, attempt to equalize funding. In contrast, Virginia sets a dollar amount based on percentage of state aid, so scholarship amounts vary greatly from district to district.

Commissioner Huffman asked about why Indiana provides a voucher in the amount of 90 percent of state aid, rather than full state aid. Mr. Schoenig said this was largely a political compromise. Mr. Jensen added that most states passed programs in the middle of the recession, so they were looking for cost savings.

Sen. Kelsey asked Mr. Schoenig which state eligibility requirements were proposed by the Governor and which came about as a result of political compromise. John Schoenig replied that the 300 percent income cap and curriculum requirements were the result of compromise. Mr. Jensen added that the program saved the state $5 million a year and that the Florida and Milwaukee programs have saved those states even more.

Ms. Woodson asked why Mr. Jensen would advise against basing eligibility on attending a high priority or failing school. Mr. Jensen said that this would result in a number of problems. Programs with this kind of eligibility are very politically attractive, but are hard to implement. Florida was the first state to use this kind

of program. Governor Jeb Bush passed a failing schools program, and it resulted in schools gaming the system to get off of the failing schools list. There was a similar effect in Ohio where districts would combine schools to avoid the list. He also noted that there could be challenges if an elementary school is labeled as failing but the middle school it feeds into is not. The biggest problem is that parents do not necessarily know that their school is a failing school. Expanding to a district makes it much easier to explain student eligibility to parents, and helps parents understand their options. Louisiana adopted a failing schools program, and they are discussing setting aside funds to inform parents how eligibility will work. Mr. Barbic added that the Achievement School District faces the same issues in ensuring parents understand their options. Ms. Woodson asked if there was a way to design around the problem. Mr. Jensen said that there are, and that the briefing sheet he provided included some of those options.

Commissioner Huffman then asked Dr. Patrick Wolf to share his insights on the DC Opportunity Scholarship Program. Dr. Patrick Wolf began by explaining that the federally-funded voucher program began under the Bush administration, which was interested in DC as a pilot area for a school voucher program. The Bush administration persuaded local black officials to support them. The program was packaged as part of a broader reform strategy, including $20 million in federal money for vouchers, $20 million for charter facilities, and $20 million for reform efforts in DC Public Schools (DCPS). Also, through signed agreements, DC public schools were held financially harmless from the loss of students and retained all of their per pupil funding. The initiative passed in January 2004 as a five-year pilot project. To be eligible, a student had to be receiving free-and-reduced lunch, a DC resident, and entering grades K-12. Initially, $20 million were available to fund the program. If the program became oversubscribed, there would be a lottery. Priority was given to students who attended the lowest achieving schools. Students already in private schools were eligible if they met income eligibility, but they were given the lowest priority. The maximum amount of the voucher was $7,500 for all grades K-12. It could be used to cover tuition, school fees, and/or transportation. Students would get a subway card to get to school.

According to Dr. Wolf, 68 private schools participated in the program. Only 30 percent of participating schools were Catholic/parochial, another 25 percent were other faith-based schools, and 45 percent were non-sectarian/independent schools. Schools were permitted to require families to contribute to costs if the voucher amount was insufficient, but only two schools chose to do so. The remaining schools accepted the voucher amount as payment in full even if their normal tuition rates were higher.

One hallmark of the program was rigorous evaluation of academic outcomes by the U.S. Department of Education's Institute of Education Sciences. The evaluation compared results of students who participated in the voucher program with students who had wanted to participate but had lost the lottery. Since the program had a lottery, there was a control group of students who applied for a voucher but did not receive one. The program was signed into law at the end of January 2004. It did not officially launch until the end of March. Initial recruitment and eligibility sessions were held at the end of April and continued into May and June to get critical mass. There were about 1,800 eligible applicants during the first year, but most available slots were K-8 and participants were pretty evenly distributed so the high school grades were oversubscribed. About 5 percent of eligible students applied. In the program's second year, another 5 percent applied. During its second year, the program was oversubscribed in all grade levels.

The first cohort was tracked for five years, and the second for four years. Researchers found that the voucher students gained somewhat in reading achievement, especially based on third year data. Gains were less in year four. Overall, voucher student gains equated to an additional month of learning per year. There were no clear achievement gains in math. Parental satisfaction was much higher among the voucher group than the control group, including on perceptions of school safety. When we polled the actual voucher students, they gave the same grade on satisfaction and safety as the control group. About one-third of the voucher students were old enough to graduate from high school. The graduation rate was 12 percent higher among the voucher group than the control group, 82 percent versus 70 percent, respectively. Some students in the voucher group were offered the voucher but declined to use it. For students who were both offered a voucher *and* used it, their likelihood of graduation jumped to 91 percent. The positive impact on graduation rate was the same regardless of whether the student came from a low achieving school or not. As a reference point, the average graduation rate in DCPS is 58 percent.

Commissioner Huffman asked how many kids are needed to conduct a study of this type if launching a pilot program. Dr. Wolf responded that at least 1,000 kids should be offered a voucher, and at least 1,000 should be in the control group. In DCPS, 1,387 students were offered vouchers and 921 were denied.

Mr. Jensen asked if parent mobility affected analysis of the DC pilot program. Dr. Wolf replied yes.

Dr. Wolf added that the program has changed slightly over time. In the second year of the program, student eligibility rules changed so that once students were in the program, their families could earn up to 300 percent of the poverty level and not lose eligibility. Initially, students had to re-qualify each year. As of April 2011, the program implemented the "once-in, always-in" rule so that once the student qualified based on income, the student never lost eligibility as long as he or she was a DC resident. Also, the voucher value increased to $9,000 for elementary school and $12,000 for high school. Wolf added that the program itself did not result in a new supply of private education because it was relatively modest in size.

Dr. Fuller offered three additional considerations:

(1) The program must have very rigorous standards for school eligibility to participate. He said that in Milwaukee, political and general support for the program weakened as lots of terrible schools got into the program. Once a school is in, it is hard to get it out. The steep political price makes school eligibility requirements a worthy discussion. In 2009, Milwaukee added a new school approval process.
(2) It is important to make philosophical and political considerations up front about whether the program will be means-tested or not, and whether it will be bipartisan or not, due to the implications of these two aspects for sustaining the program long term.
(3) It is critical to understand the racial implications of these programs..

Commissioner Huffman asked Dr. Howard Fuller to expound on how they should be thinking about race. Dr. Fuller said that there are few decisions made that do not, in one way or another, get run through a racial prism. If you have a program that is being proposed by white people and the program is "for" black people, that is a problem. The question is if you want to deal with it, how do you deal with it from the beginning? You may decide to just move forward, but you should know that there will be issues.

Mr. Jensen said that he agrees that you do not want to add administrative burdens once schools are in the program, but there should be some sort of entry requirement for schools. It takes a while for people to understand if their schools are good or bad. There should be some school eligibility system. This change has helped Milwaukee's program.

Dr. Fuller added that you do not want to recreate the bureaucracy that you are trying to get people out of, but there will be a constant effort to add elements, whether under the guise of accountability or not. Adding more requirements creates the kind of bureaucracy that stifles creativity in schools.

Dr. Nixon asked if there is a way to exit schools from the program. Mr. Jensen said that financial accountability is often a proxy for academic accountability. Some schools cannot manage themselves enough to stay open.

Dr. Wolf said that based on findings from a new study, there are already two dozen schools in the Milwaukee program that went out of business or were shut down by the state over the past five years due to financial irregularities or issues around testing compliance. Those schools had overwhelmingly worse academic performance than schools still in business.

Dr. Fuller said that you also have to consider who started the program and why. The impetus for the Milwaukee program was African-American parents and activists concerned about the quality of education. The program would not have passed without the support of Polly Williams (black Democrat) and Tommy Thompson (white Republican). Since the program was passed, however, tension in that coalition has exploded. Also, at the beginning of the program, an argument was made that services could be provided more

cheaply. The reality is that great schools can only be operated so cheaply. If you create a program and give too little money to schools, that will be a problem since schools need enough money to operate.

Sen. Kelsey asked what the value of the program was for the system. Dr. Fuller said that it is important for parents to have choice and options for their children; he wouldn't argue the value of the program is an impact on the public school system in either direction. Dr. Wolf added that there is good evidence that competitive pressure in these programs led to small improvements in overall quality. Commissioner Huffman said that the programs did not hurt the academic outcomes, and Wolf agreed. Dr. Fuller said that opponents of voucher programs will always argue that it will hurt the overall quality of education, no matter what the evidence. Mr. Jensen said that in the past, the discussion has centered on public investment in the school system, but really the investment is in kids. It is not about the delivery system. It is about quality delivery.

Commissioner Huffman then asked the committee to spend the last 15 minutes discussing the handout in front of them that highlighted various design elements in the Louisiana voucher program and the Florida tax credit scholarship program. He added that there was also a column on the handout that proposed a Tennessee pilot program, which could serve the bottom 5% of schools or schools in the Achievement School District.

Dr. Zimmer asked how to set an entry standard if there is no ongoing testing accountability for private schools in the state. Mr. Jensen said that around 96 percent of private schools do nationally norm-referenced exams. He added that most states have not focused on test scores. Instead, for school entry into the program, they have focused mostly on accreditation or how long the school has been open. The new Milwaukee approval board does a detailed analysis for new entrants based on different factors, such as the school's academic and business plans. For Tennessee, a reasonable standard currently used for accreditation purposes may work.

Commissioner Huffman asked if Louisiana's C, D, or F standard of eligibility was based on a theory to apply pressure on schools to get better. Mr. Jensen replied that Governor Jindal's goal was to put pressure on schools to get better. Jindal was going to create a statewide program but ultimately compromised and used the C, D, or F standard.
Rep. Brooks asked about whether a program should set eligibility requirements at the district or school level. For example, at the district-level, you could say that a certain percent of schools that fell in a bracket would be eligible. Mr. Jensen replied that Arizona did district-level eligibility based on the percentage of students in failing schools.

Rep. Brooks noted that a program has to fit in with our other policies. We have a focus on districts in our waiver and our state just adopted our accountability system into state law. There may be one school not doing well, but the system overall could be doing well. Basing eligibility on the district level does not seem as punitive.

Sen. Kelsey said that his concern was children, not just those in failing schools or failing systems. Mr. Jensen added that all children learn differently and different schools may fit their needs. Rep. Brooks replied that with that logic, the program would be based on Friedman's model of choice rather than concern over academic results. Sen. Kelsey said that having kids go to different schools might just be a reflection of kids needing different environments to succeed academically, not just a philosophical matter of choice. Dr. Wolf added that there is no single school best for all kids. If we rank ordered the 10 best choice schools, we would see very diverse models that are yielding very positive results. A robust program gives a lot of options. Rep. Brooks said that this concept sounds like the Louisville/Jefferson County system in Kentucky, which has many different options. That is why they are successful.

Dr. McDonald asked whether choice affects parental involvement. Dr. Wolf said that in DC, the results were inconsistent and a bit of a surprise. In a survey after the program's first year, voucher parents showed less involvement in school than the control group parents. When asked, voucher parents stated that they felt like their kids were in better schools so there was not as much need for them to be personally involved. Some programs have seen different results with more parental involvement in homes.

Commissioner Huffman asked about elite schools that have academic requirements for student entry. Dr. Wolf replied that in DC there were some problems with this. The program's leaders wanted some elite private schools to participate. The compromise was that elite private schools could apply their normal admissions standards, but they would have to take that set of eligible students and randomly pick students from that eligible group. The justification was that if kids could not handle the rigorous academic standards, they would not be set up to succeed in the school. Mr. Schoenig said that the majority of the more than 70 schools in Indiana who chose not to opt into the program were secular schools. Even though Indiana allowed schools to maintain their normal admissions standards, these schools did not want to administer the state assessment. Mr. Jensen said that some programs do not allow for additional standards. Milwaukee does allow for additional standards, and elite schools there take very few students.

The meeting ended at 3:58 p.m.

Governor Haslam's Task Force on Opportunity Scholarships
Minutes from the 4th Meeting
September 26th, 2012

Members present:
Commissioner Kevin Huffman, Chairman, Mr. Chris Barbic, Dr. Gary Nixon, Dr. Ronald Zimmer, Rep. Harry Brooks, Ms. Indya Kincannon, Dr. Mary McDonald, Ms. Jamie Woodson, Sen. Brian Kelsey.

The fourth meeting of the Governor's Task Force on Opportunity Scholarships was held on September 26, 2012 at the Tennessee Tower. Commissioner Kevin Huffman, Chairman, called the meeting to order at 2:03 p.m.

Commissioner Huffman asked for people to go around the room and introduce themselves. Senator Bill Dunn and Representative Jack Johnson were among those present.

Commissioner Huffman stated that Governor Haslam charged the task force with presenting a menu of options on the design of an opportunity scholarship task force. The purpose is not to debate whether or not the program should exist, but to talk about what the design should look like if we were to move forward.

He added that we have set the goal of presenting a report by the middle of November and that time is moving quickly. The goal today is to take and react to a lot of the information that has previously been presented. This is a working meeting, and everyone's input is essential. This is a very important meeting to put ideas on the table about design elements. He noted that the handouts in front of the task force members include a draft outline for the report that includes which questions we need to answer and the design elements we need to grapple with, as well as an additional survey of private schools in Tennessee conducted by the Beacon Center. The goal of the task force is to take some of the information it has considered before and new information provided from questions that members have asked and work through the different design elements.

Ms. Indya Kincannon asked if nature of funding would go under amount of scholarship, or if that was a separate issue. Commissioner Huffman replied that it could fit under the scholarship amount, and Ms. Kincannon reiterated that it is an important design element.

Commissioner Huffman stated the plan was to have a strong discussion, and then come back together to look over a draft and have a final report ready for mid-November.

Accountability and Private School Eligibility
Commissioner Huffman began the discussion with accountability and private school eligibility. He asked if there should be accountability for the student and the school in terms of student achievement results, and if so, what that should look like.

Representative Harry Brooks responded that the department needs to assist in developing a method for determining if a private school is doing a good job. We have a lot of information and data in the public environment. We need to ensure that we do not replace one failing environment with another, that we have researched and determined that the school is acceptable. We have spent years establishing accountability—EOC, ACT, value-added. It is critical that we use the very same measures with the private schools in this program. Without data, we cannot identify one school as better than another. We have the best data in the country, and should apply it. We should require that private schools administer these types of exams, and use the money in the program to do it. If we believe that our standards are the best that we can create, then we need to apply our standards to this program.

Commissioner Huffman responded that this accountability can apply at the student level or the school level. Rep. Brooks answered that in his view, students in the program need to take the assessment, but not all students at the private school need to. We need to be able to see the participating students' growth.

Dr. Mary McDonald added that the school itself should also have eligibility requirements. The requirements should be based on a school's accreditation and how long they've been accredited. Eligibility should consider whether the school has been open for a certain amount of time.

Ms. Kincannon agreed with Dr. McDonald, and agreed with Rep. Brooks that parents need assistance in making informed choices and should have an apples-to-apples comparison, not just a private school brochure as opposed to all of this data from public schools. She noted that Louisiana has a lot of requirements in that students have to take the state test, but if outcomes are not strong, there are no repercussions. We want to see evidence of growth and that third column [on the handout] is important. There must be a consequence beyond just telling a school that it did not do well, and should keep trying. She added that when thinking about parental empowerment, in high-needs schools, parents want opportunities and support for pre-Kindergarten and tutoring, and proposed considering a design element for parents to take advantage of these kinds of supplemental education services. She stated that both have been shown to be quite effective, especially for at-risk students. She added that she did not know if there is a model of a state doing that though she hears a lot of demand for them. Commissioner Huffman noted that we should consider Ms. Kincannon's points as part of the discussion on student eligibility later in the meeting.

Commissioner Huffman posed a question on determining whether a private school is permitted to accept new students. He noted that in Indiana, all students in private schools (not just participating scholarship students) take the state test, so Indiana can really do an apples-to-apples comparison of schools. He stated that he agreed with the idea that a school should not be able to continue to accept scholarship funds if it cannot move kids forward, but noted that we would need to figure out how to do this if not all students in the building are taking the same assessments. Rep. Brooks stated that if a scholarship student is assigned to a school, the state assessment needs to be given. Commissioner Huffman responded that this might result in determining the performance of schools based on 2 or 3 students, unlike in Indiana where every student in every private school is tested, giving a much larger sample size.

Ms. Kincannon asked whether private school eligibility could be based on the growth of individual students. Dr. Ron Zimmer noted that we would get into challenges related to small sample sizes of students. If there are only 5 students in a school, one student with a bad year could bring down the results of the school. Ms. Jamie Woodson suggested looking at some other standard for whether growth is happening.

Senator Brian Kelsey stated first that he believes accountability is built into the system through choice, since parents are choosing to send their students to the independent schools as opposed to the current system of assigned schools. He said that he would rather give parents the chance, for example, to send their kids from an unsafe failing school to a safe failing school, where the choice provides some built-in accountability, even if the accountability is not based on academic growth. He added that beyond that larger point, 10 percent of private schools are already taking the TCAP, and others are taking tests that are considered more rigorous. According to the Beacon Center survey, more than half of private schools said that they would not participate and having so many schools choosing not to participate could hurt the program's ultimate success.

Rep. Brooks stated that students participating in the scholarship program should take the state test, but that he does not believe other students need to be tested and that we would not want to eliminate the pool of eligible schools.

Dr. Zimmer stated that there are two reasons to give state assessments: accountability for participating schools, but also information for parents. If only a small subset of students are taking the test, there will not be as much information available. Ms. Kincannon posited that parents really just want to know about their own student's performance. Dr. Zimmer responded that before parents make the decision to send their child to a school, they want information on whether to send them to a particular school or not.

Ms. Woodson asked if we should then have another set of criteria for school eligibility. Individual students would take the test for purposes of accountability, and separately, we could put in place a set of standards for appropriate growth that allows schools to participate in the program, but that would not necessarily be dependent on the performance of a few students.

Dr. McDonald stated that the criteria for a school to participate should be rigorous, and that the accreditation process can provide parents with an overall picture of a school.

Dr. Zimmer reiterated that there are two potential reasons to give state assessments, and that if the goal is only accountability, assessing a few students in a school would be fine, but if the goal is providing information, we need a broader set of data.

Dr. McDonald added that the accreditation process itself is steeped in lots of information about a school. Mr. Chris Barbic asked how often the accreditation process occurs for a school. Dr. McDonald answered that the full process takes place every five years, but that there is some affirmation of progress required every year. Sen. Kelsey asked if parents know what is involved in the accreditation process and if they use that information. Dr. McDonald responded that schools use that information.

Rep. Brooks added that, in Knox County, school scores are on the front page of the news and that parents are very attuned to that information. Ms. Kincannon agreed, adding that report card grades are high profile. Rep. Brooks added that his county has been interested in report card information for 10 years. Ms. Woodson suggested prioritizing parent information and public transparency as a design element and goal, whether under eligibility or not. She proposed looking at whether or not parents are using the information, and prioritizing getting information to them. Dr. Zimmer added that part of the theory of school choice is for families to be able to match their needs to schools, which requires that parents have information on what schools offer.

Ms. Woodson reiterated Rep. Brooks' point on the importance of measuring student growth. She noted that given that the priority of the Tennessee Department of Education is to be the fastest-improving state, focusing on student growth is an important factor in the design elements of this program.

Commissioner Huffman noted that the discussion was extending into the issue of program evaluation. He said that to the extent that we view growth as really important to evaluating the program and whether it is working, the ability to measure growth would be a key element. There are different ways to measure growth. TCAP is the cleanest way, but we are also creating growth measures this year with the SAT 10 national assessment for first and second graders. He noted however that it takes a certain number of students to get accurate data.

Dr. Nixon asked if it was possible to use a small count of students for multiple years. Commissioner Huffman answered yes, and noted that alternatively we can do a randomized research study that does not need many students if designed properly. Dr. Nixon suggested that instead of using D's and F's to grade schools, we could use a 1-5 scale as we do for our public schools.

Commissioner Huffman asked for additional thoughts on whether one criteria for private school eligibility should be that the school has been open for a certain period, and whether there should be an enrollment cap. Ms. Kincannon responded affirmatively, and said that the enrollment cap should be based on a percentage. She noted that she has heard stories about private schools opening with tuition exactly the same as voucher amounts and thinks that generally those would not be good for Tennessee students. It is hard to start a school and even harder to start a good school.

Ms. Woodson stated that she does not feel strongly about limiting by percentage, but would want to consider the length of time a school has been open and whether they have rigorous coursework. Dr. McDonald agreed that percentage is not as important as the length of time a school has been open and accredited, and explained that a school must be open for four years to receive accreditation. Ms. Kincannon asked who confers the accreditation to which Dr. McDonald was referring. Dr. McDonald replied that the accreditation would be done by a regional association. Ms. Kincannon added that in some states, the state does the accrediting. Commissioner Huffman noted that we have state accreditation here for certain types of schools.

Dr. Zimmer noted that the only downside to limiting by the length of time a school has been open is that if a program is very popular, its capacity is limited to what we have currently. A two or three-year requirement will mean that no schools will be induced in, since they cannot recruit students for several years. This could dampen our ability to expand the market.

Ms. Woodson asked if we know what other states have done that have rigorous standards for quality. Sen. Kelsey stated that he did not know that anyone stopped from entering the market. In the same way that we have looked at charter schools, we may want to look at school quality on the back end. But he would be very opposed to locking out newcomers who could be very successful. Expanding the market to innovators could be a good benefit. Mr. Barbic stated that we can look at making the authorization process very rigorous, as with charter schools. The idea would not be to lock schools out permanently, just for a certain period of time. Ms. Woodson asked him to talk more about looking at school quality on the front end. Mr. Barbic said that what any good state does when authorizing charters is make it difficult to open. Rather than having to clean up on the back end, it is better to make it harder for schools to open on the front end.

Ms. Kincannon asked what standards would be used on the front end, and wondered if this would be similar to the accountability standards already discussed. Mr. Barbic said that he did not know if the accreditation process could also be used for authorization. Dr. McDonald noted that certain standards could be used as criteria on the front end, such as teacher licensure and student-teacher ratio.

Sen. Kelsey stated that he can see the justification for a difficult authorization process if schools are enrolling a certain percentage of voucher students, but that there will also be private schools opening regardless of this program, and we do not need to interfere in the market for private schools generally. He said that he could agree with making it tougher on the front end if we go back to schools with a certain percentage of students being eligible.

Commissioner Huffman noted that Louisiana has limited the percentage of voucher students eligible to attend based on how long the school has been open. If a school has been open for less than 2 years, it cannot have more than 20 percent of its total enrollment be voucher students.

Amount of Scholarship (part 1)
Commissioner Huffman asked for thoughts on whether private schools must accept the voucher amount as payment in full. Some states require this, so that if a school agrees to accept a student, it has to accept the voucher as payment in full regardless of their normal tuition.

Ms. Kincannon asked what states use this system, and for how long. Commissioner Huffman responded that Ohio does and has for a while. Mr. Barbic added that it makes sense to require full coverage of tuition. Dr. McDonald responded that someone has to make up the cost difference and that if the schools are interested in educating the students, they have ways of covering the cost.

Commissioner Huffman noted that Louisiana is doing this now as well. They have found that virtually all private schools have agreed to covering the full tuition and have not balked from the requirement.

Rep. Brooks asked what the total school expenditure, state and local, in the plan was. Commissioner Huffman responded that across the state, the total per pupil expenditure would be $8,000-10,000 depending on the district.

Sen. Kelsey noted that he does not have strong feelings on this topic, but pointed out that while it is easy to say we are helping a poor student with the requirement to accept a voucher as payment in full, the outcome could actually hurt the student if the requirement leads to a school choosing not to participate in the program. There may be some students whose families could pay $1,000 toward tuition and schools that would participate with that contribution, but the requirement of disallowing additional contributions might keep the schools from participating. Some schools view a small payment as buy-in so including this requirement would be keeping those schools out. Dr. McDonald agreed that some schools believe in requiring some payment for buy-in purposes. Mr. Barbic responded that his kids go to public school, and he still pays for things. He stated

that there are enough other costs that there are ways other than tuition payments to ensure parents have skin in the game. Ms. Woodson added that most schools have a requirement for parental involvement beyond financial contributions.

Rep. Brooks stated that if this program was conducted through the Achievement School District, the money in the program would be the amount per student, and would provide the ASD with an additional tool.

Student Eligibility and Program Capacity

Commissioner Huffman moved the discussion to student eligibility and program capacity—the question of whether to put a cap on the number of eligible students. He said that he thinks this is the most challenging element. Broadly, the question is whether student eligibility should be limited only to students zoned to low-performing schools, those zoned to low-performing districts or districts with a high number of low-performing students, or whether eligibility should be statewide with a limit by income or poverty level, which is how most statewide programs work. Also, there are other elements related to student eligibility and program capacity, such as whether there should be a cap on the number of students participating or not.

Sen. Kelsey stated that he does have a strong opinion on this element. He argued that at this point in time, when opportunity scholarship programs have been around for over 20 years, there is no reason to have a limited scope. The trend now in Indiana, Wisconsin, Ohio, and Louisiana is to move to statewide eligibility. Now that we have seen no negative aspects to a public school system (knowing that this will always be a focus area) based on 20 years of data, he feels strongly that this should be a statewide bill based on income eligibility. Commissioner Huffman asked if Sen. Kelsey was advocating for a statewide program with no cap, and he replied affirmatively.

Commissioner Huffman stated that in previous meetings, we discussed whether we need to pilot a program and evaluate it. We could pilot with a limited scope of eligibility, or statewide eligibility but pilot with a cap on the number of students and require an evaluation of the program before lifting the cap. Sen. Kelsey replied that every state that has piloted has decided to expand, and so other states have piloted for Tennessee.

Rep. Brooks asked who has piloted. Sen. Kelsey replied that Louisiana expanded from New Orleans to a statewide program, and that Indiana used statewide eligibility from the start. He explained that he views Tennessee as similar to Indiana in being a new entrant to opportunity scholarship programs, and that among new entrants, the trend tends to be statewide eligibility. Ohio expanded from certain cities to other cities, and Wisconsin did the same and also increased the level of income eligibility. The trend for income eligibility also seems be 300 percent of poverty level. Rep. Brooks asked if the majority of states now have an opportunity scholarship program. Sen. Kelsey replied that it is not a majority. Ms. Kincannon asked if it was fewer than 10 states. Sen. Kelsey said that the number depends on which programs are included. Some organizations say 20 states have them, but he believes this may include some programs that may not qualify.

Mr. Barbic noted that he thinks as an operator, a person on the ground. From a policy standpoint, other states have done a pilot, but implementation in Tennessee requires creating an infrastructure here. If we are focused on quality, a pilot is important to make sure that we have our act together on the ground. If the program proves effective, we can expand, but given that we are running with other reforms as well, there is a benefit to starting small. Ms. Kincannon added that Tennessee is unique in its overall educational environment, having implemented more improvements and productive changes than most other states. Mr. Barbic noted that this is a good thing, and Ms. Kincannon agreed.

Mr. Barbic added that from a policy standpoint, it's possible to copy and paste policies directly from other states, but that you can get the policy right and still make mistakes with the implementation on the ground. He would hate for mistakes to happen on the ground from being overly aggressive.

Rep. Brooks asked if the objective of an opportunity scholarship program would be to address choice, or to address academic deficiencies. Commissioner Huffman replied that there are probably different answers, but that he believes that they are both important and not mutually exclusive. He added that he perceives

unanimity around academic objectives among the task force, and not unanimity around choice, though there are strong voices for it. Rep. Brooks said that philosophy would dictate how we develop the policy.

Ms. Kincannon stated that she has not asked all CLASS members, but from her perspective, choice as a vehicle is fine. However, the main goal is improving outcomes for all kids. She added that if the goal is improved outcomes, talking about student eligibility for private schools is too narrow. She reiterated her idea of allowing parents to use scholarships for pre-Kindergarten or tutoring. Commissioner Huffman replied that Ms. Kincannon's idea could make sense if a student was already in a state-funded pre-Kindergarten program, but that since pre-Kindergarten is not currently funded statewide, there would be a question from where the money for the scholarship would come. An opportunity scholarship program for students to use with private schools would not require appropriating new money. Ms. Kincannon asked whether the program would involve new money if the opportunity scholarship program was created by means of a tax credit. Dr. Zimmer noted that tax credits would still involve new funds in a sense, since the state would lose revenue by means of the credit, and Ms. Kincannon concurred. Dr. Zimmer added that since there is no state income tax in Tennessee, he is not sure how a tax credit structure could work here.

Commissioner Huffman asked if Ms. Kincannon was saying that we should look into scholarships for use in early childhood. Ms. Kincannon said yes, and added that evidence indicates that early childhood programs and tutoring can make a big difference, and possibly more than private school choice.

Commissioner Huffman noted that with regard to tutoring, No Child Left Behind had previously required a holdback for use on tutoring, called supplemental education services. Under the waiver we received from NCLB, the state gave flexibility over this funding to districts instead of a mandatory holdback because the supplemental education services requirement had gone badly with very mixed results from situation to situation. The money is still there, but it is now up to districts to determine how to use it and given that districts already have this funding and flexibility on how to use it, that an opportunity scholarship program might not be the right vehicle to use for tutoring services.

Commissioner Huffman asked for other task force members' thoughts, in addition to Senator Kelsey's, on the question of whether eligibility should be limited to priority schools, or particular districts, or if there should be statewide eligibility based on income.

Rep. Brooks responded that part of what we are working on now is rewarding schools for doing a good job. If we pull money away from schools doing well by using income eligibility, it will not be viewed as a reward. Commissioner Huffman replied that he did not think this program would be designed in a way that hurts existing schools. He added that if parents in schools making progress believe that there is a better option for their students, he does not know that we should hold them back because it might seem like we are sending the wrong signal to a school. But he added that an alternative would be to determine eligibility based on the performance of schools.

Ms. Kincannon stated that if we are offering choice to help kids who are not being served well, it seems like eligibility should be based on schools not serving them. She asked whether statewide eligibility would mean a student attending a reward school could still be eligible for a voucher. Commissioner Huffman said yes, if eligibility was statewide and capped by income. Ms. Kincannon responded that this would serve choice but not academic performance.

Mr. Barbic said that he is torn on this point. Just because a school is not in the bottom 5 percent of the state does not mean it is a great school. It could be in the bottom 6 percent. Parents get to choose things every day, and this is the most important choice. If a parent thinks this private school is better than that reward school, who are we to say that they should not have the power to make that decision? He added that he has a hard time limiting options on where to send a child to school. If we limit to the bottom 5 percent of schools, there are a lot more kids that would benefit outside of those schools. Ms. Kincannon asked if Mr. Barbic was advocating for a higher limit on performance or no limit at all. Mr. Barbic replied that parents should have choices. The choices need to be quality, but the more choices, the better.

Rep. Brooks asked if we can afford a statewide program, given not only the students in public schools, but also the cost of the 100,000 students currently in private schools. Commissioner Huffman responded that we would set eligibility the way other states have, and limit eligibility to kids enrolled in public schools. Ms. Kincannon asked how we would prevent private school families from sending their kids to public schools for one year, and then using the voucher. Dr. Zimmer noted that lots of research shows the inherent negative effects of mobility. Ms. Kincannon asked how we could design the program to prevent these negative effects. Dr. Zimmer said that one option would be to allow parents to send their students from kindergarten, that the program does not need to require that they must transfer from public schools. Ms. Kincannon asked if we would then just be enabling a choice that had already been made.

Sen. Kelsey said that if the student is in kindergarten and new to the system, the student should have open choice. In the interim, students should have to have attended public school for at least a semester. He said most people likely will not go through the trouble of switching from private to public school just for eligibility into the program, but if they do, they are clearly very unsatisfied with their current options.

Dr. Zimmer reiterated his point about the inherent negative effects of mobility, noting that a requirement of having previously enrolled in public schools as Indiana has would create a situation where people could game the system or could embed potentially negative effects in the system. Commissioner Huffman noted that if the program was started as a pilot with an enrollment cap, that would reduce the chance of gaming since people are unlikely to move from a private school to a public school just to enter a lottery to have a chance at a voucher.

Mr. Barbic added that if we decide to go with a pilot, we could do a pilot with the bottom 5 percent of schools since that is a clean way to get it started. Then, if we decide to expand, we could expand outside of the bottom 5 percent.

Ms. Woodson noted that in thinking about the broader reform landscape, for a variety of reasons, it was decided that the ASD would focus on the bottom 5 percent of schools, not the bottom 6 or 10 percent. In the ASD's plan, they use a portfolio approach, with some schools operated by the state and some by charter schools, but because it takes a while to scale up, not all students in the bottom 5 percent schools have a choice. That may be a gap in the current plan, where there could be opportunities to better serve the most challenged students.

Rep. Brooks asked if we currently have a policy that allows students to attend any school they choose.

Ms. Kincannon replied that in Knox County, students can attend any school that has additional seat capacity. Commissioner Huffman added that it is not the policy statewide. Dr. Zimmer asked whether NCLB had also provided choice. Commissioner Huffman replied that it allowed choice for failing schools. Rep. Brooks added that if there is a small county with, for example, only one high school, we may want to look at a statewide policy for public school choice. For example, we may want to allow a parent to transfer to another district in the same county since many counties have more than one district. We may have a bottom 5 percent school in a county, and there may not be a private school in that entity, so we may want to say a student can choose a private or any other public.

Commissioner Huffman stated that he is undecided between limiting to student eligibility to those in the bottom 5 percent of schools or expanding eligibility to something broader. For the purpose of research, if we are attempting to pilot and get information, starting beyond the bottom 5 percent gives us more robust information, including how markets react to the availability of scholarships. But in addition, although we can point to students in bottom 5 percent schools as really suffering, as a state, we are 46th in math and 43rd for kids in poverty, and 49th for white students. No matter how you cut the national assessment data, we are not doing well. It is true that schools in the bottom 5 percent are where kids have the worst time, but the average school in Tennessee is turning out students who are 46th in the country, and their parents might well feel like they want better options. Ms. Kincannon asked if those parents will know how private schools compare, wondering if they are 46th as well or much higher while controlling for risk factors, or if we do not know. Choice without good information is not moving the ball forward.

Dr. Zimmer stated that from a research standpoint, the bottom 5 percent of schools are very different maybe even from schools in the 20th percentile. A pilot focused on these schools may lead us to may draw conclusions without really knowing what will happen if we scale up. If we want to make inferences for a broader population, we should get a diversity of schools to see if it works in different settings.

Mr. Barbic added that we could do a mini Race to the Top and have private schools apply and have a subset of them be eligible. Commissioner Huffman stated that at the previous meeting, Dr. Patrick Wolf said they would need at least 1,000 kids to participate. Dr. Zimmer agreed, adding that we could do the research for less, but that we are probably ultimately interested in subpopulations as well, and if there are only having 200-300 students total, it is not possible to examine at that level.

Rep. Brooks noted that Senator Kelsey's legislative proposal had been for 4 counties, and asked what number of students had been estimated to participate. Sen. Kelsey replied that the fiscal review process estimated 1 to 2 percent participation rate among eligible students. Rep. Brooks noted that this rate of participation would be well over 1,000 students.

Dr. Zimmer noted again that eligibility in designing a pilot depends on what we would want a full-scale program to look like. Commissioner Huffman noted that the low income student population in Tennessee is very diverse, including urban and rural communities, with 60 percent of kids statewide qualifying for free or reduced price lunch.

Rep. Brooks stated that we need to make sure on the front end that students are moving to good schools where they will continue to make progress. We want to make sure to improve our 46th ranking. It has become critical to absolutely ensure a quality education and improvement. Theoretically, if we pull out 1,000 very good students, our ranking would go down. Commissioner Huffman noted that value-added scores would not go down. Rep. Brooks replied that it is then even more critical to continue testing in order to validate that with scores.

Dr. McDonald stated that the Memphis Opportunity Scholarship Trust (MOST) program does testing for students who receive vouchers, and agreed we would want to make sure the program is getting results.

Sen. Kelsey asked if it would be possible to create value-added scores based on a comparison of other tests already being used by private schools, such as the Stanford, Terra Nova, etc. Dr. Zimmer answered that researchers often normalize test scores from multiple sources to create a value-added measure, though psychometricians hate it since each test is trying to measure something different.

Commissioner Huffman pointed out that one other thing Dr. Wolf mentioned was that research showed that even if there were only slight gains in test scores, parent satisfaction went way up, and graduation rates also increased considerably. Even if achievement was not going up dramatically, satisfaction was up and caused students to stick it out. Sen. Kelsey added that the findings are consistent with a recent Harvard study on long-term impact. There was a 24 percent increase in graduation rate among the African American subgroup, which was consistent with Dr. Wolf's finding of a 21 percent increase in Washington, D.C.

Ms. Kincannon asked whether these studies measured possible negative effects on public schools, noting that even when there are no negative financial effects, families exercising choice are probably the most engaged. While it is great to maximize these parents' choices and kids' opportunities, as a state funding public education, we should consider the impact on other kids in public education. She asked whether these studies show any negative impact of further concentrating the most at-risk students where families do not have the wherewithal to access the program, given that one challenge in the lowest-performing schools to begin with is the concentration of at-risk students. When particular students are removed to a private school in an economically integrated place, this can be really beneficial to those students but not necessarily the whole. Ms. Kincannon asked whether research has found that choice leads to further concentration of the most at-risk students, and Dr. Zimmer responded that most of these programs are means-tested so higher-income families do not have the option to use them. It is hard to detect whether there is further concentration of

poverty when all of the eligible students are low-income to begin with. Ms. Kincannon asked about non-income factors that lead to being particularly at-risk, and Dr. Zimmer replied that those factors are harder to detect in studies.

Commissioner Huffman noted that in the D.C. study, it was interesting that students with parents who were motivated enough to apply for a voucher but did not receive one in the lottery still had a lower graduation rate. Ms. Kincannon replied that these students were still in the same environment.

Ms. Woodson noted that she believes a once-in, always-in policy for student eligibility would seem to make sense, especially given the negative effect of the alternative. Commissioner Huffman clarified that once-in, always-in could mean a student remains eligible until finished at a particular school, or could mean always in for the remainder of the student's K-12 education. Ms. Kincannon asked if they would stay in with a scholarship, and Ms. Woodson asked if income level would be a factor. Dr. McDonald stated that research shows there are not a great number of people who experienced a great change in income level. Dr. Zimmer noted that the challenge is if we opted for the bottom 5 percent of schools threshold, and a particular school improved and no longer fell under that threshold that a student should not necessarily have to fall out of the program for that reason. Ms. Woodson added that we should learn from our public charter conversations, where we quickly adjusted policy to let a student in that situation stay in that environment. Dr. Zimmer added that parents are risk-averse, so if they think their kids could become ineligible in a year, the program would be less likely to succeed.

Commissioner Huffman stated that he felt strongly about once-in, always-in for a particular school, and less strongly about it remaining the case for the full K-12 education. Rep. Brooks agreed. Sen. Kelsey asked what would happen if eligibility ended in 6th or 8th grade, based on a particular school's grade span. Mr. Barbic added that it would be rough for a student to attend a great school and then have to go back to a middle school in the bottom 6 or 7 percent of schools, and wondered this scenario would almost be a disservice to students. Dr. Zimmer added that if he was a parent in that situation, he would pick a K-8 school instead of a K-5 school. Ms. Kincannon stated that like as previously said, it is not like the student's family income status changes much.

Commissioner Huffman asked—in a case where a student in 4th grade becomes eligible for an opportunity scholarship and enters a K-5 private school—should the student automatically qualify for a scholarship to a private middle school, even with a statewide cap. Mr. Barbic replied that he was not sure, saying that the student should absolutely remain eligible for the duration of the current school, but the K-12 grade span was harder. But he added that this dilemma is why he and his team added a high school at the charter network he founded, YES Prep, since not all students had a quality option after 8th grade and they wanted to be sure to provide one. Dr. McDonald asked if we were saying there would be no choice for students at the next level. Commissioner Huffman answered that one possibility would be the student would go through the eligibility hurdle again.

Ms. Kincannon stated that she is used to the way NCLB worked, based on zoned schools. If the school a student was zoned to was failing, the student could get out, but if by middle school or high school, the school is not failing, the student returned. Rep. Brooks added that the students might be zoned to the best high school in the state. Mr. Barbic noted this is why it is important to distinguish between talking about a school or particular students. He noted that a student could be at the best high school in the state, but still not getting a great education. Ms. Kincannon added that conversely, a student could attend a low-performing school and still get a great education.

Rep. Brooks said that if we go back to the choice concept, parental satisfaction is a factor with all of this. If that is a criterion, we do not have a problem with schools in upper east Tennessee. They have more than 90 percent satisfaction. If the objective is academic improvement, he recognizes that parent satisfaction is very important but wonders if it should be the basis for public expenditures. Brooks noted that we do not want to give the perception that we are funding private education, but instead want to fund assistance for kids who are in public education or are eligible for it and are in struggling schools. Ultimately, that is what we need to end up with.

Commissioner Huffman said the question is where you draw the line on quality to determine when someone should not have access to an additional choice. We can all agree that kids in the bottom 5 percent should have options. He would argue that there are lots of kids in other schools not getting a very good education whose parents would like options as well. Rep. Brooks replied that he would not mind changing to the bottom 10 percent of schools. He understands that schools in the 6th percentile might also be struggling, and added that we could also consider other numbers.

Sen. Kelsey pointed out that there is a challenge in administering the program if based on schools at a certain level. If it is difficult to inform parents about which schools are eligible, which will lead to low participation. It is really hard to get the information out there if parents do not know clearly whether a school is eligible, and schools going in and out of a certain percentile can cause confusion. Ms. Kincannon asked Sen. Kelsey if he was suggesting a means test only for eligibility, and Sen. Kelsey said yes—that it'd be much simpler, cleaner, and easier to administer. Ms. Kincannon asked if he would hold to this eligibility, even if the student is going to a great school, and Sen. Kelsey replied yes. Dr. Zimmer added that Scott Jensen had talked about programs having to go door-to-door to inform parents of eligibility, and Mr. Barbic agreed that is it tough to get the word out. Dr. Zimmer said that there are other eligibility criteria that can be easier to say and understand, whether by income level or by a particular district. Rep. Brooks added that Mr. Jensen had said eligibility was most clearly understood when defined by district.

Commissioner Huffman asked if people felt we should view the program as a pilot with a cap on the number of slots, and if so, for how long. Dr. Zimmer asked why we would cap with a number of slots as opposed to limiting size by limiting eligibility to bottom 5 percent schools or certain districts and admitting any interested students within that group. Commissioner Huffman agreed that this would be the other way to limit eligibility.

Rep. Brooks added that we could pilot it by district, and Mr. Barbic noted that we could pilot the program in districts that have one or more priority schools—Hamilton, Davidson, Knox, Hardeman, and Memphis—to get a mix of schools. Commissioner Huffman asked if, from a research and evaluation standpoint, the 83 priority schools (69 schools in Memphis, 1 in Hardeman, 1 in Knox, 6 in Hamilton, and 6 in Metro Nashville) would give enough information to go on, or if we would be better off by limiting the program to 1,000 students statewide who qualify for free and reduced price lunch. Dr. Zimmer replied that it depends on what you ultimately want the program to be. The pilot population should be as representative as possible of the potential full-scale program's ultimate population. Commissioner Huffman asked if eligibility for the program could be statewide for low-income students. Dr. Zimmer said that the challenge is if the pilot includes only one district that is rural, we would not be able to draw statewide conclusions from it. Ms. Kincannon asked if in this scenario, because Knox has one priority school, every child in Knox County Schools would be eligible. Commissioner Huffman clarified that he had meant only the students in the actual priority schools.

Sen. Kelsey asked whether Indiana had scaled out its cap over 3 years. Commissioner Huffman replied yes. Mr. Barbic added that Indiana's cap was 7,500 during the first year, 10,000 the second, then no cap. Ms. Woodson asked whether it might make sense to consider the fiscal note and then back into the size of the cap. Dr. McDonald stated that administration of the system is also an issue.

Mr. Barbic said that doing eligibility requirements based on income made more sense to him than attendance zones, which are arbitrary and prone to being changed politically by the local school board. That happened last year in Memphis after the Achievement School District announced its schools. He said not subjecting schools to that risk would be better. Ms. Kincannon asked if we would then make it a statewide program with only income-based eligibility criteria. Commissioner Huffman replied that we could do income-based eligibility statewide with an overall cap and a lottery. We could say only 1,000 students, or 3,000, or 5,000. Dr. Zimmer added that from a research standpoint, that would be the way to make broader inferences. The cap would give you the capacity to do a randomized design study.

Ms. Kincannon stated that in that design, the ultimate goal would seem to be choice, not academics. She said that if that is the way the report will be written, that is the way it is, but academic performance is more

important in her mind and in the minds of many people working hard to help student outcomes. Mr. Barbic pointed out that if you are a low-income student in a great school, you probably would not want to participate in the opportunity scholarship program anyway, and that at end of day, it is a choice. Ms. Kincannon asked what would happen if a student attends a high-performing school in a low-income community, and the parents want to switch schools due to a religious preference. She asked if we can afford to subsidize those choices. Dr. Zimmer responded that this would be a risk no matter how eligibility is defined, unless you exclude religious schools from participating. Rep. Brooks added that a lot of kids will go to another school for sports. Sen. Kelsey added that kids would also leave for art or other reasons, and that he believes choice is important and that we should give options.

Commissioner Huffman stated that from a research perspective, we would measure academic outcomes, and if the outcomes were not improving overall or in certain areas or for particular groups, we would want to change the program's design. He cares about academic outcomes, but he is not sure that we can say on the front end that only students from the lowest performing schools would benefit academically. He would want to test and study it. Mr. Barbic and Dr. McDonald agreed and said this is why a pilot makes sense. Dr. McDonald added that choice does not negate a focus on academic outcomes. Families make choices, and then we see whether those choices lead to academic improvements.

Commissioner Huffman asked if Dr. Nixon or Ms. Woodson wanted to weigh in on eligibility requirements being statewide, means-tested, capped or limited to particular schools. Dr. Nixon replied that he leans toward the statewide design, and Ms. Woodson replied that she needs to think more about the options. She is very focused on academic improvement, but felt the Commissioner's point on the benefit of conducting a study makes sense. Dr. Zimmer added that the caveat is that whatever the eligibility area is for students has to be something parents would easily know; otherwise, we would have to spend lots of money on communicating that information. Eligibility based on free and reduced price lunch eligibility is easiest. Ms. Kincannon added that this would be a huge number of students, and Dr. Zimmer replied that this is the reason for the cap. Sen. Kelsey said that while he agreed with Dr. Zimmer that having a cap and a lottery would be very good from a statistician's standpoint, that we were talking about children and parents having to go through the lottery process with the possibility of not getting in. Commissioner Huffman added that parents and children already have to go through that now in public schools and in public charter schools.

Amount of Scholarship (part 2)
Commissioner Huffman moved the discussion to the amount that should be offered for a scholarship and the nature of funding.

Rep. Brooks stated that the amount should be based on wherever the child is located. Commissioner Huffman asked whether he would include both state and local portions, and Rep. Brooks said yes. Dr. Zimmer noted that this total amount could be more than average private school tuition. Mr. Barbic noted that in Memphis, the total per pupil expenditure is $8,400, and in Metro Nashville, it is $8,800.

Dr. Nixon stated that the proportions of the state and local share are different in almost every county. In some counties, the split is 92/8, and others 50/50. He said the amount should be set at the point where the county is meeting the minimum match requirement for the state, so that if the county chooses to fund at a higher level, that additional funding does not have to go to the opportunity scholarship. Sen. Kelsey asked whether this would mean the amount would be localized per district. Dr. Nixon said yes, it would be localized at each district's minimum level.

Ms. Woodson asked what would happen if the school charges less than the amount of a scholarship. Commissioner Huffman replied that we would not overpay. Dr. McDonald added that most private schools do charge less.

Commissioner Huffman stated that we have to be cognizant of what the program would cost, but also consider that if we do the program, we have to either provide a scholarship on the high side or require that schools can only take what scholarship amount is as full payment. Otherwise, we would have only the most

financially well-off of low-income families taking advantage of the program, or would be limiting families to only certain private schools.

Dr. Zimmer asked if we would hold districts harmless, or have districts keep any of the student's funding, or whether the entire amount of per pupil funding would follow the child to the private school. Sen. Kelsey replied that we would have to count toward holding harmless or maintenance of effort. Rep. Brooks asked if this would mean the state has to pay them. Dr. Zimmer replied that a hold harmless policy would say that we do not want districts to lose any resources because of fixed costs, so the state would say there will be no negative financial consequences. In other states, they allow negative consequences, because they are trying to introduce the threat of competition. Rep. Brooks stated that every district ought to have skin in the game and that it is about holding that LEA accountable. If people do not want to go to your schools, there should be a monetary effect—that which Dr. Nixon suggested gives people skin in the game. Dr. Nixon added that this would also mean every kid would have the same scholarship amount.

Ms. Kincannon asked about how the program might account for the fact that different kids cost different amounts to educate. For example, special education students can cost three times the amount of a regular education student. Rep. Brooks asked whether this is simply the cost of doing business. Ms. Kincannon asked if private schools would be required to take any interested student selected through the lottery, and Commissioner Huffman replied yes. Ms. Kincannon asked what happens if the school accepts everyone based on the lottery, but certain kids who do not fit well within the school get counseled to go back to their public school. Mr. Barbic stated that the ASD had kids eligible to attend their schools who never actually attended their schools because the schools were not equipped to meet their needs. In those cases, the ASD writes the district a check to cover the costs of educating those students at their chosen school, even if the cost is two or three times ours. The kids can stay where they were, but the ASD now pays. That is the cost of doing business if you want to be a part of a new program like this. Commissioner Huffman stated that in the Louisiana program, special needs students carry a portion of federal special education funding with them to a private school. A student with special needs comes with more money. Dr. Zimmer noted that research suggests that special needs students disproportionately do not apply to these programs because they know that private schools cannot serve them. Ms. Kincannon added that that results in inadvertent cherry picking, and costs per capita then become higher even though funds per capita remain the same.

Dr. Nixon said in Indiana, if the cost of tuition is less than the amount of the scholarship, only the tuition amount is charged, and suggested that we should do the same.

Commissioner Huffman asked if there were other thoughts before moving on to additional elements.

Mr. Barbic asked if the task force was all agreed that the scholarship amount set at the per pupil expenditure should be considered as full payment, whether it covers full costs or not. Sen. Kelsey said he has not fully thought through the issue. Commissioner Huffman stated that he did not know how you would design what is an appropriate small sum of money for families to contribute if you did not have that rule. Dr. McDonald said that this group would not design that amount, the private schools would. Commissioner Huffman replied that some states have said private schools cannot participate unless they accept the voucher as full amount of tuition costs. Mr. Barbic stated that he felt strongly about that so that this program provides a real option. Dr. McDonald said that we could let the schools cover the overage with an additional scholarship. Commissioner Huffman stated that the schools do not have to lower the tuition. They just cannot charge more to scholarship participants. Sen. Kelsey stated that while he does not feel strongly about this issue, the more he thinks about it, the more he thinks we would be pricing some schools out with this rule. There are some schools charging a high tuition that kids want to attend. The schools want to accept the kids, and the kids might be able to make some contribution, but they will be excluded because the scholarship does not cover the full tuition. We would be hurting those we want to help, when some have a few dollars to add here and there. He added that he feels strongly about having some skin in the game, and also that adding further regulation on private schools is closing down a segment for possible innovation.

Mr. Barbic proposed a possible middle ground. Perhaps we would have a pilot period when eligibility is based on income and require this rule during that time since without it we would likely have families who cannot

actually use the scholarship. Then if the program opens up after the pilot, we could change the requirement at that point since it might no longer be based on income status. Sen. Kelsey stated that he believes the requirement would limit the opportunity scholarship program to schools directly focused on serving low-income students. Without that requirement, we will have some students going to private schools that charge $17,000 a year. In those cases, they would still have to make up some of the costs but could charge the family $500, which would lead to a more robust pilot program. Commissioner Huffman noted that one counter-example is that Louisiana has found virtually all schools have agreed to the requirement to accept the voucher amount as payment in full. Dr. Zimmer added that in D.C., there are very expensive private schools and the voucher amount is far less than full tuition, so schools have opted-in but only opened up a few spots as a public service. Mr. Barbic reiterated that we want to ensure that we are creating a real choice. Dr. McDonald stated that there are many private schools located in low-income neighborhoods, and they are the schools most likely to be chosen.

Ms. Woodson suggested that if the opportunity scholarship program should fit into overall state policy around overall growth and gap closure, and it is meant to accelerate options for low-income students, that having a cap might seem like an artificial limit on something that could be beneficial.

Program Evaluation
Commissioner Huffman replied that there seems to be broad agreement that we need to design this in way where schools can be evaluated based on student achievement. Participating schools need to provide information and/or do some level of testing to allow us to study achievement outcomes. Ms. Kincannon agreed and stated that we should add that these evaluations results should be used as a factor in terminating a private school's participation. Commissioner Huffman agreed and added that overall the results should drive the next iteration of the design of the program.

Program Administration
Commissioner Huffman moved on to program administration. Ms. Kincannon asked who pays for program administration. Rep. Brooks replied that he believes Mr. Barbic should administer the program, to provide him with more options and choices in tackling the huge challenge in front of him. He believes we should set the parameters and then let Mr. Barbic decide where to apply the funding whether in every school or in bottom 5 or 10 percent. He reiterated that he has a huge challenge and that we should not create a policy that is contrary to what he is trying to do. Mr. Barbic said he appreciates the point and how it all fits together.

Commissioner Huffman asked if anyone else had other strong feelings on who should run an opportunity scholarship program and when implementation should happen, especially thoughts from legislators on the calendar for legislation.

Mr. Barbic replied that implementation should be in 2014-15. Ms. Woodson added that it would be challenging to implement for next school year. She added that doing so would seem to be setting the program up for failure due to improper implementation, and that she could not see how it could be done sooner than fall 2014.

Sen. Kelsey noted that Indiana passed their program very late in the legislative session, and had some problems with administration, but still rolled out the program for 3,000 students for the school year immediately after passage. Louisiana's bill passed much earlier in the session and they just launched their program for 7,000 students. Ideally, we would want to decide by the end of March, with plenty of time to roll out for August 2013.

Mr. Barbic asked if most private schools are full by March. Dr. McDonald replied no. There is a broad spectrum of private schools, and many of them would still have seats available. Mr. Barbic asked if those schools were good, and noted it is one thing to hire teachers in February, and another to hire in July. Dr. McDonald noted that March or April would be different from July.

Dr. Zimmer added that it is not like if the bill is passed in March we can do it the next day. Mr. Barbic also asked if the bill could really be passed by March. Rep. Brooks agreed that the program should aim to start a

year out, given the number of new policy changes. He said that for sanity, we should do it a year out, given the struggles of implementation.

Sen. Kelsey stated that if the idea is to have a cap, he strongly disagrees with the idea that we would not implement the program immediately. The whole point is to start the program and see how it does. He admits that it will be difficult, and participation may not be as large in year one, but it does not make sense to punt the start of the program for a year. Ms. Woodson asked if the timeline for implementation depends on the program's design, since design elements like communication and administration could affect the timeline. If the design is relatively simple, it could be implemented on a tight timeline, but if there are major administrative requirements where a bureaucracy is required, more time would be needed. Dr. McDonald responded that a big bureaucracy is not needed, since most states have one or two people staffing the program.

Rep. Brooks added that there has to be a cut-off date for the lottery.

Ms. Woodson asked for a reminder of Indiana's program and timeline for implementation. Commissioner Huffman stated that in Louisiana, the program was passed in spring 2012 and implemented for the 2012-13 school year, but there have been predictable challenges with running screens on private schools eligible to join the program. Sen. Kelsey added that the bill passed in Indiana in April. They had a very tough time ramping it up by that school year, but they did have 4,200 students enroll. Louisiana had over 7,000 students. Commissioner Huffman added that Indiana did not come close to its cap in the first year, so that anyone who signed up got the scholarship. Ms. Woodson asked what the differences were that made implementation more challenging in one state over the other. Commissioner Huffman replied that he is not sure how Indiana did eligibility. Louisiana was trying to create a front end screen for private school eligibility, and that was biggest challenge. Ms. Woodson stated that she thinks she heard from this group that we would want a front end screen, so we would share that challenge with Louisiana. Dr. McDonald added that there is already a model. Commissioner Huffman added that in Indiana, all private schools were already giving the statewide test so it was easier for them to do a screen on grading because they already had a grade for the schools.

Commissioner Huffman announced that the final meeting would likely take place at the end of October, and that we would be in touch over email to set that up. He added that a report would be drafted based on all of the task force's conversations. He announced that at 4:15p.m. there would be a stakeholder meeting in the Davidson Room of the Tennessee Tower. The meeting would provide an opportunity for stakeholders to engage in these discussions.

The meeting adjourned at 4:00p.m.

Stakeholder Meeting of the Opportunity Scholarship Task Force
September 26th, 2012

Members Present:
Commissioner Kevin Huffman, Sen. Brian Kelsey, Rep. Harry Brooks, Ms. Jamie Woodson, Dr. Mary McDonald, Ms. Indya Kincannon

Members Absent:
Dr. Gary Nixon, Dr. Ron Zimmer, Mr. Chris Barbic

Stakeholders in attendance:
- Maria Stewart, Legislative Analyst, MNPS Office of Legislative Affairs
- Robert Gowan, Managing Partner, Southern Strategy Group
- Elizabeth Merkel, Lobbyist, Southern Strategy Group
- Glenda Yarbrough, Program Director, Poplar Foundation
- Tony Thompson, Attorney, Lobby Tennessee
- Rick Perry, President, Goodpasture High School
- Jo Walt, Founder, Neighborhood School of Memphis
- Kim Eades, mother and financial planner, Rutherford County
- Marilyn Johnson and 13-year old son, Marshall Shanks, part of the Memphis Opportunity Scholarship Trust (MOST) program
- Francis Jackson, Lawyer, Law Tennessee in Memphis
- William Slater, Headmaster of Henderson Christian Academy, TN Association of Christian Schools
- David Connor, Executive Director, Tennessee County Commissioner Association (observer)
- Linda Wesson, Legislative Research Analyst, Office of Research and Education Accountability (observer)
- Marie Yeagle, Partner, P3 Consulting (observer)
- Adam Lister, Director of Policy, Nashville Area Chamber of Commerce (observer)

At the end of the fourth meeting of the Governor's Task Force on Opportunity Scholarships, a group of stakeholders gathered to share their thoughts on the design of an opportunity scholarship program. The meeting was held from 4:15pm to 5:30pm in the Davidson Room in the Tennessee Tower.

Commissioner Kevin Huffman, Chairman, began the meeting at 4:15pm. He asked the individuals in the room to find a table at which to sit. He said this meeting would be an opportunity to hear from stakeholders as the task force considers potential design options. The Commissioner reminded the group that the task force plans to present a report to the Governor in the middle of November in which it will make design recommendations. The task force recognizes that there have been a lot of stakeholders who have attended the task force meetings, and this meeting will provide a time for those who have sat and listened to share their ideas.

The Commissioner told the group that in the center of each table was a copy of the report format, the design element matrix and four questions for discussion. Each table would have about 10 minutes to discuss the questions amongst themselves and the end of the meeting would be used to share out the information in a whole group setting. He asked each group to designate a person to report back to the group. In reporting back, the Commissioner acknowledged that presenters should feel free to express consenting viewpoints if the group did not agree on all of the answers.

"The goal is not to come to an agreement but to hear opinions," the Commissioner said. The members of the task force were advised to join a table and listen as the stakeholders shared their thoughts. Commissioner Huffman also let the group know that their conversations would be captured in meeting minutes and shared with the task force members who were unable to attend.

The following is the list of questions discussed by the stakeholders and task force members as well as their group responses to each question. There were two tables, so each question has an answer from Table A and Table B. Ms. Indya Kincannon was the spokesperson for Table A and Mr. William Slater was the spokesperson for Table B.

1. If we were to have an opportunity scholarship program, which students do you think should be eligible?
 A. *The group agreed that free and reduced price lunch should be used as the measure of eligibility. Some group members even suggested raising the limit to be higher but there was not consensus on this.*
 B. *The group discussed that there may be difficulty if the program initially covers the entire state, especially because of the difference between rural and urban schools, and the ways these differences would limit the availability of options for some students. The group mentioned that the ASD-eligible/priority schools would be a good way of measuring whether a student is doing well or not especially because there is a market in the metro areas.*

2. If we were to have an opportunity scholarship program, how should we think about accountability for participating private schools?
 A. *The group discussed the importance of using teacher credentials as a form of accountability. The group thought that the state could have a licensing requirement to ensure teachers are getting strong outcomes for kids. Additionally, the group mentioned that many independent schools already use a national assessment for accountability. For schools that already have a test in place, the group believes the school and student should still have to take this test so that they can have apples-to-apples comparisons.*
 B. *The group talked about both financial and academic accountability. One of their concerns is that testing tends to drive curriculum, so having a criterion-referenced test would not be the same as a national norm-referenced test. Currently, it is not a requirement that private schools adopt a criterion-referenced test, and the upcoming PARCC exam is that type of test. The group was concerned that this would force a school to adopt the common core state standards indirectly since testing drives curriculum. A private school should not have to adopt common core if it is already doing well.*

3. If we were to have an opportunity scholarship program, what measures should we study to evaluate the program overall and how should we define success?
 A. *The group believed the program should be evaluated based on the academic growth of scholarship recipients. There should also be some metric for participation levels.*
 B. *The group felt that program success should include a measurement of graduation rate. Additionally, parent satisfaction surveys should be a part of the evaluation but it should not outweigh academic criteria.*

4. If we were to have a pilot program, which students should be eligible? How would you define success for a pilot program?

A. *The group spent the least amount of time discussing this question, but believed that a pilot program could be used to see how vouchers aid in closing the achievement gap.*
B. *For a pilot program, the group did not think a lottery component was a bad thing. The group had kind of assumed that the eligibility portion would happen first and then there would be a lottery for entry into the scholarship program. From his own viewpoint, Mr. William Slater expressed that he couldn't imagine that one would want to impact a school's admissions policies.*

5. Additional thoughts?
A. *The group spent some time discussing the lottery and whether there would need to be two of them: one for getting a scholarship and one for admissions. Concerning the latter element, some private schools would want to select students and this could lead to cherry picking. A lottery might assist with this, but would private schools agree to it? The group didn't reach a conclusion.*
B. *The group spent some time discussing whether the program should be implemented in 2013 or 2014. There was not a consensus on this issue, but some thought there would be no harm in putting it in place in 2013 if it was possible for the legislature to pass it.*

Before closing the meeting, the Commissioner thanked the stakeholders for their time and said that their thoughts would be shared with the task force members who were unable to attend. He noted that the Governor's office and Department of Education had reached out to all education groups about this meeting. The Governor's office and TNDOE are willing to meet separately with stakeholder groups if they would like to share any additional thoughts.

The meeting adjourned at 5:30p.m.

Governor Haslam's Task Force on Opportunity Scholarships
Minutes from the 5th Meeting
November 13th, 2012

Members present:
Commissioner Kevin Huffman, Dr. Gary Nixon, Dr. Ronald Zimmer, Mr. Chris Barbic, Ms. Indya Kincannon, Dr. Mary McDonald, Sen. Brian Kelsey, Rep. Harry Brooks, Ms. Jamie Woodson (by phone)

The fifth meeting of the Governor's Task Force on Opportunity Scholarships was held on November 13, 2012 at the Madison Room in the Tennessee Tower.

Commissioner Huffman called the meeting to order at 10:00 a.m.

Commissioner Huffman reminded the task force that the Governor's charge had been to present the Governor with a report on what an opportunity scholarship program for Tennessee might look like and what considerations should be made, if a program were to be created. The question of whether or not to have a program rests with the legislature and the Governor, but the Task Force has aimed to determine what the best program for the state would look like. He noted that in drafting the report, staff members had tried to identify areas of consensus and areas where there is still a broad range of opinions. Consensus does not mean unanimity. He noted that staff members aimed to capture the range of opinions in the report and in the minutes included in the appendices but that members should be sure to note if there are areas where they believe it is inaccurate to say there is consensus or if they have a personal opinion on an issue that is not yet reflected in the report. He then asked each Task Force member to take a few minutes to discuss the areas where they had comments, questions, areas to discuss more or items that were not reflected.

Sen. Brian Kelsey said that participating on the Task Force had been the most meaningful and helpful study of any legislation he has been a part of, and stated his appreciation for the commissioner's leadership of the group and the Governor's leadership in calling the Task Force together. On student eligibility as described in the executive summary of the draft report, he agreed with the language stating that there was consensus on focusing on low-income students. After that sentence though, he felt it would be more accurate to say there was consensus that the program should not apply universally, rather than the current language in the draft report. On the amount of scholarship section, he pointed to research conclusions that programs with larger amounts have greater academic success and said it would be helpful to reflect this point in the report.

Indya Kincannon said that it would be helpful to note at beginning that participation on Task Force does not necessarily mean the individuals or the organizations they represent endorse its contents. She noted that she has been pleased to have the opportunity to participate, and believes the structure was a good model for developing good policies, but noted that her participation had been in the context of the governor's mission and had not related to endorsing whether vouchers are appropriate or not. She liked the report and thought it was well-written and would be a useful tool for the Governor and for legislators. She also liked the fact that improving academic outcomes was stated as the main goal and that there was consensus on that point. She had been surprised to learn that almost two-thirds of private schools are outside urban areas. She pointed out that currently on page seven, it says there is consensus that the private school landscape can support an opportunity scholarship program and that current public school choice options do not fully meet families' demands, and stated that she did not agree with that statement but was not sure of a better way to express the point. She noted that evaluation should ideally track the effect of the opportunity scholarship program admissions process on districts given that private schools do not face the same challenge of operating heterogeneous classrooms that districts do, and given the potential for cherry-picking to affect districts.

CLASS districts have expressed concern that within struggling schools, the students most likely to take advantage of an opportunity scholarship program are the students who are doing okay or even excellently even if the school is failing, and therefore are concerned that the effect on the sending school could be further concentration of the most at-risk students. On student eligibility, she agreed that there was consensus on focusing on low-income students, on a requirement of previous public school enrollment, and a once in, always in policy. She liked the idea of combining options 1 and 3, so that a definition of low-performing schools would be combined with an income requirement. She noted that one section of the report had mentioned the possibility of scholarships used within public schools across district lines, and that she would like to discuss that further. Also, given that Tennessee borders a lot of other states that are higher-performing, she wondered if there was potential to cross state lines. On transportation, implementation, and administration, she noted that there is a balancing act between requiring accountability and the level of administrative burden the state is willing to have the department or any other entity take on.

Commissioner Huffman noted public school choice is one of two things that we will definitely talk about later because it is not something that Task Force had discussed previously and was something Rep. Brooks raised.

Gary Nixon said that the report was well-written and captured the comments and discussions of the Task Force. He asked for clarification on how the once in, always in policy would be affected by accountability, specifically if the school did not meet performance measures. He also asked for additional discussion on funding and the BEP. Commissioner Huffman agreed that the Task Force had not discussed the amount of scholarship enough, and said they would return to the topic.

Mary McDonald thanked the commissioner and all the Task Force members for an amazing experience. She said it has become very clear that they are not talking about school choice, but about parental choice. Parents should be empowered to decide for themselves what schools best serve their child's needs. The momentum of school reform in Tennessee is strong and on-target and moving forward; to not further this work with the addition of parental choice and opportunity scholarships would be an omission. Economics play a role, since income levels can negate parents' option to make an educational choice. When looking at design elements such as the amount of scholarship and inclusion of students, the Task Force should focus on opportunities for children and parents' right to choose, rather than focusing on schools. She also asked for more discussion on the scope of implementation.

Jamie Woodson agreed that the draft report is exceptionally thorough, that the process has been thorough, and the dialogue has been complex. She noted her appreciation for Commissioner Huffman's staff and the governor's staff who have supported the Task Force's efforts. She asked that the point of consensus that the program should align with the state's goal of improving student outcomes be further highlighted in some way. She noted that on accountability, Option 3 could be added on top of either Option 1 or 2, and that policymakers could debate between 1 and 2, but that she believes Option 3, given that it is Louisiana's approach and follows Dr. Wolf's theory of earned accountability, is specifically worthy of some thought. On student eligibility, she looked forward to conversation but noted that Option 1 impliedly fits into the state's overall strategy. She also noted that the Task Force might want to look at how a program could fit into the state's focus on Gap Closure, thinking about not just the lowest-performing schools, but also places that aren't meeting targets for closing gaps or for particular subgroups. She noted that communications with all stakeholders who will be affected will be key, and that an intentional strategy is needed. Finally, she echoed the call for more conversation on public choice.

Rep. Harry Brooks noted that he thought the group might need a starting place for discussion, and so presented some ideas in a one-page handout (Rep. Brooks's handout shared with the Task Force is included

at the end of these minutes). He noted that his proposal is predicated on the thought that the Achievement School District could administer a program focused on the lowest 5 percent of schools and use it as another tool to improve educational outcomes. He noted that evaluation should be identical to the public school system, with exact same assessments. Students who were zoned to the lowest 5 percent of schools would be eligible. The amount of scholarship would be the state share plus the local minimum, to ensure local districts have skin in the game, which goes back to the objective of creating good outcomes for students. He also noted that he included the opportunity to transfer to other public schools, and would allow extracurricular participation in those cases.

Ronald Zimmer thanked the commissioner for leading the Task Force and noted he had enjoyed the experience and that the Task Force had been thoughtful and respectful in discussions. He asked for greater clarity on the types of non-public schools in category I, on what to do with regard to transportation, and on what the local districts would retain. He also noted that if there were to be a program, it would be important to build in a research provision to see if the program is working and look for ways to improve, and suggested setting aside money for evaluation.

Chris Barbic noted that the others had already covered the main points, but noted that on implementation, it is important to ensure there is enough capacity to implement. He agreed with Dr. Zimmer that there needs to be a mechanism for constantly learning how to make the program better before letting it grow. He agreed with Ms. Woodson on the importance of communication, especially given how much is happening in Memphis and the volume of information for parents to understand. He said there needs to be communication on how everything fits together in a coherent strategy.

Commissioner Huffman turned the discussion to public school choice, and said the group would also discuss amount of scholarship and the other areas that members had mentioned. He asked, if students are eligible for scholarships to use at non-public schools, should they also be able to use for public schools and what would the parameters be? Dr. McDonald asked if the focus for student eligibility was just on failing schools, would students just go to the next school? Mr. Barbic said that was an important point, since most priority schools are clustered in feeder patterns. Dr. McDonald said that unless there are options within the district that are much better, public school choice should include other districts. Ms. Kincannon asked if this should include districts that are outside of Tennessee? Dr. McDonald replied no, since the Task Force was only focused on education reform in Tennessee.

Ms. Kincannon noted that the main point of consensus among the group is that choice is secondary to academic outcomes. She respectfully disagreed with Dr. McDonald, saying choice is not paramount, academic outcomes for kids who are struggling is paramount. We need to give kids the opportunity to improve academically, and there is no need to offer scholarships to students at high performing schools. Dr. McDonald said that opportunity scholarships are a choice a parent would make for a child, but that the bottom line for all is academic success, and that is always a given.

Ms. Kincannon asked whether public school choice would mean scholarships could be applied to other public schools? Commissioner Huffman replied yes, and noted that there are multiple pieces to consider, including whether there would be eligibility requirements for public schools to receive students, just as there are for private schools. Ms. Kincannon noted that this sounds like No Child Left Behind transfers, though without district boundaries. Commissioner Huffman said that is another open question; whether students can cross district lines, and do the districts get to operate in the same way that private schools do, in having the ability to decline students. Dr. Zimmer said he is not necessarily against public schools being part of a program, but as a point of information, very few students took advantage of choice under No Child Left Behind.

Participation was only about one percent of eligible students, so public school choice probably will not make a huge difference. Mr. Barbic added that most good schools are full, which is part of why participation was so low. Sen. Kelsey commented that he thinks there was a lack of communication that public school choice is available. More people would know about this option if it were part of broader communications on opportunity scholarships, and more people would take part.

Rep. Brooks noted that his vision was more than a school located three blocks away, and it included students being able to cross district lines. He noted that he had spoken to every person he knows with students in private schools, and many are there for religious purposes which are important but the state's function is academic improvement with state dollars. The state can use private schools that are doing well in solving public education issues, but noted that it's important to determine what the goal of the program is, choice or academic outcomes improvement, because the two goals do not mix.

Commissioner Huffman agreed and said this is reflected in the current draft report, which says there is consensus among the Task Force that a program needs to focus on academic improvement and says in addition that some on the Task Force, as in the broader choice community, have said choice alone is sufficient reason, while some say we should use opportunity scholarships only for academic outcomes. The report says the Task Force has consensus on one, and a range of opinions on the other, which is reinforced by this conversation.

Commissioner Huffman asked on public school choice whether the receiving district should be able to opt in, or whether it would be required to receive students. Rep. Brooks replied that it should be the same policy for private schools as for public. Districts or schools would need to provide advance notice that space available and the program would use a lottery if needed, but the program would need to be sure they want to accept students. He included the extracurricular activity provision (that the child can participate in whatever extracurricular activities at the receiving school, without issues of eligibility) after talking to other legislators around the country who had ignored this issue and then re-fought battles over it for several years. Finally, he noted that the once in, always in policy should end at the building level. If the program is based on improving academic outcomes, there is no need to financially impact the student's zoned middle or high school when that school might be a reward school. Dr. McDonald replied that it is not an either/or between the two goals, it's a both/and. Academic outcomes are the bottom line, but there are currently no choices right now in certain zip codes or areas, or in certain economic demographic groups. Sen. Kelsey asked the Task Force to keep in mind that the average student in Tennessee is in the bottom 10 states in the country in reading and math, and keep that in mind as we talk about improving academic performance through greater choices. He noted that he likes the idea that districts need to be able to opt in for students that are crossing district boundaries, but that choice within districts should be required. Rep. Brooks noted that he had also recognized where Tennessee is currently, and that he had looked at ACT scores with and without private school data. He said some schools are better, but not much difference on the whole, and that the department of education would need to say what schools would be a good opportunity to maintain standards and rigor.

Commissioner Huffman brought the group back to public school choice, and asked if there was consensus that a child would be able to take scholarship and cross district lines if the district has space and opted in to the program. Ms. Kincannon noted that Knox County already has a transfer policy, where a student can apply to any school, and if there is space available and the student can provide transportation, he or she can attend, but that transportation is a huge sticking point. If the goal is really to offer opportunities to the lowest performing kids, nothing works without transportation. Dr. McDonald disagreed, saying there is no proof of that. Ms. Kincannon asked why a district should be able to decline to accept students, if it has seats and are given funds to pay for the student, given that it is part of the public school system. Rep. Brooks noted that

there should be offer and acceptance, kind of like a marriage. Dr. Zimmer noted there are other states that use public school choice, and the Task Force could look at each of them. Sen. Kelsey noted that he sees a slight distinction in his mind. Within a given district, funding levels should be the same, so students should be allowed to go to any school, but once you start crossing district lines, the funding levels differ so opting in is important. Dr. Nixon stated that he believes it is critical to allow schools to opt in or out, since a fast-growing system won't necessarily have seats beyond a couple of years. Rep. Brooks added that there is a minimum local match required by the state, and that some systems use additional local funds on top. He believes that the combination of state plus local minimum would be the scholarship amount. If the program allowed a student to attend a public school, he suggested the receiving school should be allowed to charge tuition on top of the minimum, which he believed is in operation now in some systems. Ms. Kincannon affirmed that this is the case, saying Knox County sometimes receives students with special needs from other districts who pay tuition.

Commissioner Huffman said this would be a good point to segue to the amount of the scholarship. He noted that the Task Force members had information on the BEP state portion plus required local match, as well as private school tuition, which might be a good starting point for discussion. He also noted that the fiscal review committee will consider the cost to local systems and fixed costs, but that for the Task Force, the question is a recommendation on the amount of scholarship. He asked whether there was consensus on the idea of the BEP amount, state plus required local match. Sen. Kelsey replied that we should not reinvent wheel, and should use the same structure as for charter schools. Commissioner Huffman noted that charter school funding includes the local amount beyond local match, and Sen. Kelsey affirmed that this is correct. Mr. Barbic agreed, saying that structure would be clean, defensible, and fair. Dr. Nixon said he agreed with Rep. Brooks that the scholarship should be the BEP, state plus the minimum local match required. Ms. Kincannon said she preferred the required local match required option. Dr. Nixon said it would be inequitable if some students received $8,000, while others get $12,000, and others get $6,000. Commissioner Huffman noted that the amount would be variable, even if using the BEP option, state plus required local match, and asked whether he was suggesting using the state average amount. Dr. Nixon had said he had not realized the BEP differed by system, and had thought it was equalized. Commissioner Huffman asked Stephen Smith, assistant commissioner for policy and legislation at the department of education, to provide some additional explanation. Mr. Smith explained that the BEP does not generate a per pupil amount. The BEP is determined based on student enrollment, and funds generated based on the number of students. That results in different state and local amounts based on the number of students and there is no per pupil amount statewide. Dr. Nixon said he agreed, since some systems have variations. Commissioner Huffman noted that the BEP amounts for the urban districts are relatively close. He said it seemed the range of options on this would be a) the statewide average BEP, b) the BEP for the local system (state + required local match), or c) the full amount of local per pupil spending. He suggested that the report present these three options and state that this is another area where there is not consensus; Task Force members agreed.

Commissioner Huffman moved the discussion to other areas that members had requested further discussion of, including transportation; the scope of the program; impact on districts and how to measure that; accountability for private schools including evaluation; and long-term evaluation of program.

On transportation, he noted that the question is whether transportation should be required, given that it is a substantial cost, and who bears the costs if it is required, or should we assume that transportation is something that some schools will be able to provide and some will not. Rep. Brooks asked if transportation is included in the BEP, providing local systems with funding though he knows many supplement that amount. Dr. Nixon said yes. Dr. Zimmer noted that not including transportation limits access for certain students to certain schools. If it is not included, there is a population of students who will struggle to go to schools across

town. Dr. McDonald said that if some funding for transportation is included in the BEP, the private school application to participate could also include a requirement that the private school piggybacks on the local district's transportation system so that the money is still being used. Mr. Barbic noted that the BEP does not cover the full cost of transportation, so there would still be out of pocket costs. Ms. Kincannon noted that in Knox County which is a large district, the current funding for transportation is enough to get kids to their local schools, not across town, and many families provide transportation on their own anyway. Therefore the cost of transportation is a huge constraint on public school choice now. Dr. McDonald asked whether transportation could be addressed through the schools' application process to participate, by asking questions such as what percent of funding the school could provide toward transportation, and by seeing if clusters of schools could collaborate and work together. Commissioner Huffman asked whether she viewed this collaboration and provision of transportation as optional or mandatory, since there is a clear difference. Dr. McDonald said she is talking about either or both, that transportation should be up to each site.

Mr. Barbic said that whatever is required, someone will have to cover the costs. The Task Force's charge is not to implement, but they need to recognize if transportation is not required, there will be limited participation, and the group should recognize that. He agreed that people who participate will figure out creative solutions, but need to be realistic about the costs. Dr. McDonald said transportation should be included, whether by making it mandatory for districts to work with private schools, or in the private school application process. Ms. Kincannon said this would be a huge burden on districts. Mr. Barbic agreed that this would be tough, and might be seen as an unfunded mandate. Dr. McDonald said that to put transportation on non-public schools would be an unfunded mandate for them. Ms. Kincannon said this raises the bigger issue that teaching low-income kids takes more money. Sen. Kelsey said the program should give the full per pupil amount and let the receiving schools figure out transportation. Ms. Kincannon suggested the program could say students are admitted pending the schools' ability to transport them. Dr. McDonald said no, if the school is taking enough students, it should have to work out transportation. Commissioner Huffman restated Sen. Kelsey's thought that if the amount of scholarship was the full per pupil spending (including any additional local money above the required match), that it would then be more reasonable to say the non-public school needs to provide or reimburse for transportation. Dr. McDonald agreed that this proposal would answer the question for funding. Ms. Woodson said one concern is the potential impact for local communities if the scholarship amount was the state amount plus full local amount, given that there are already sustainability questions with Race to the Top and lots of local conversations about increasing funding. She asked whether there was any research on whether this is a concern for local communities. Dr. Zimmer said he did not know of any research off the top of his head but could look into it further. Ms. Kincannon asked whether Ms. Woodson was suggesting that local citizens may not be interested in increasing taxes and spending for education if it is going to transportation for private schools. Ms. Woodson said she would not phrase it that way, but that she was raising a question of if local contributions beyond the required match are part of the program, whether there will be an impact on potential public support for increases in the system. She said she did not know the answer, but that the question should impact policymakers' thinking on whether to do the full amount of funding or not. Commissioner Huffman noted that it does not seem like there is consensus on the issue, but that the discussion could be included in the report. Dr. McDonald said she would like to reiterate Mr. Barbic's earlier point and that an unfunded mandate should not be imposed on anyone, whether private schools or public schools.

Commissioner Huffman asked about the starting point for the program. Currently the report states that while there is not consensus on how large the program should be, there was consensus that it should start small with a study before expanding. However, Sen. Kelsey pushed back gently on this point earlier. Dr. Zimmer also suggested including funding for evaluation. He proposed considering both the starting scale and the evaluation. Rep. Brooks said that as a legislator, a program should be applicable to everyone, rather than

pitting some districts against each other, and therefore should be statewide. However if it is a pilot, it could be conducted with one or two districts who volunteer. Commissioner Huffman noted his own perspective is that the program could not be focused on academic outcomes but then apply only to districts who volunteer, as these ideas are in tension. Rep. Brooks replied that the program should then be statewide. Dr. Zimmer pointed out that a pilot should be conducted in a way that reflects what the program will look like at scale, so that it provides information for the future, rather than just starting with a select number that does not reflect where the program will ultimately go. Dr. McDonald said that if the program is a systemic reform, she suggests doing it statewide and not calling it a pilot, since the term makes it sounds like something that could come and go. Commissioner Huffman noted that he believed there had been consensus, regardless of what it would be called, that the program should be evaluated and results of that evaluation used to drive the ultimate scale. He said Dr. Zimmer's point is well-taken that the program should start with ultimate scale to design what the initial scale should look like, but had certainly thought there was consensus was on the need to evaluate the program and use the results. Dr. McDonald said she agreed. Sen. Kelsey said he agreed with Rep. Brooks that if any program should be statewide given that fourth grade students are currently 46th in math and 41st in reading, and that these are the results on average not for students in bottom 5 percent schools. In order to help academic achievement increase, it needs to be a statewide program that affects a lot of students. He noted that the average Latino student in Florida, which has school choice, outperforms the average student in Tennessee. Ms. Kincannon said she agreed that ultimately what is good for one part of the state should be applicable to all kids, but said she felt strongly that there should be a pilot, since currently the Task Force could not know what the administrative burden will be, private school reaction, performance, communication, and a pilot was needed to get all of that right. She felt what was written currently was appropriate.

Commissioner Huffman noted that in talking about statewide eligibility, the Task Force was still speaking about low-income students. He noted that some commentary after the last meeting misrepresented this point. Sen. Kelsey agreed that this was absolutely true. Commissioner Huffman noted that he wanted to ensure everyone understood this was a point of unanimity. He also noted that statewide eligibility could be based on income only, or it could be based on income and school performance (which would theoretically be statewide, but low-performing schools tend to cluster more in some areas). He noted that even if low-performing was defined as the bottom 10 or 15 percent of schools, the program would not touch every district because not every district has a school in that category. He asked people to clarify what they mean by statewide. Ms. Woodson noted that the Achievement School District is statewide, and applies to schools that qualify into it, and her impression has been that this is a broad, potential statewide policy. Mr. Barbic replied that it is tough to say the program is statewide, when 68 of the bottom five percent of schools are in one place. He added that trying to start statewide is tough for implementation. Sen. Kelsey noted that one option already in the report is statewide eligibility with the use of caps over time to address scaling up issue. Ms. Kincannon said that beyond low-income criteria, which is a given, that could use the individual student as the unit, rather than the school since kids can do well even while attending a failing school. She noted that this would include statewide impact more easily, since there are struggling kids in every district. Rep. Brooks said that with limited dollars, it is important to spend them where the need is. If eligibility is limited to the Achievement School District, then the funding is being applied to the need. The next tier of schools behind the ASD will end up in the bottom 5 percent if they do not change, and they include a broader set of schools, both rural and metropolitan.

Dr. Zimmer noted that focusing on the bottom five percent, where there are already many initiatives in place could complicate things, and asked for others' thoughts. Mr. Barbic said he needed to think further about it, since generally having as many tools as possible ispositive, but that he needed to think further about how it would work in implementation in fitting together with the ASD. Dr. Nixon asked what the impact would be if

more engaged parents chose to withdraw from ASD schools to use the opportunity scholarships. Mr. Barbic said he is thinking about it differently, in terms of the eligible schools that they are not yet present in and that will take time to reach. In those other schools, the state has shined a light on their performance but is not yet offering a solution, which seems a little unfair. He said in those schools there is a good case for opportunity scholarships as an interim solution. Dr. Zimmer noted that if a program based on income eligibility would still affect ASD schools. Commissioner Huffman said at that point, there would be a question of information, focus, communication, and if caps, the likelihood of admission for ASD students.

Commissioner Huffman moved the conversation to accountability, and noted the two big questions are what accountability should look like for participating schools (private or public), and what the impact is on districts and district accountability. He noted that on the latter point, the department of education would need to ensure there is an apples to apples comparison, since district accountability is based on growth, and that this could be handled in department policy rather than legislation. Certain students would just need to be removed from the district's baseline so that if higher-performing students left, they would not mask improvement that was made. Ms. Kincannon agreed that this addressed her concerns and asked that this be included in the report. .

Commissioner Huffman noted that in the current draft report, it states that participating schools should be required to use either TCAP or national norm-referenced assessments that can lead to value-added scores, so that schools could evaluated and potentially removed from participation. Ms. Kincannon said she believes the exit component is important. Mr. Barbic agreed that presenting a menu of assessments is preferable as long as they could be used in a value-added model. Rep. Brooks stated that he believed the state assessments should be used, since state funding should be used in a way that we have confidence in, rather than arguing over other norm-referenced tests or growth measures. Ms. Kincannon noted that theoretically with PARCC online assessments, the burden of administering to scholarship students should be limited. She agreed with Rep. Brooks that state assessments should be used, given the incredible investment of time and research. Sen. Kelsey said that the move to PARCC shows that we are not fully satisfied with TCAP despite that investment, and that if national norm-referenced tests are more rigorous, he does not see a problem with using them. Rep. Brooks advocated using exactly what the state is using, and Dr. Nixon agreed. Ms. Kincannon noted that parents should also be able to make apples to apples comparisons, looking at their local zoned school's PARCC scores versus another school's. Dr. McDonald asked for clarification that this discussion applied only to scholarship students, and Commissioner Huffman confirmed this. Dr. McDonald noted that there is precedent since the Memphis Opportunity Scholarship Trust (MOST) often does testing on scholarship students and no one seems to have a problem. Sen. Kelsey noted that the surveys of private schools in Tennessee say over 60 percent would not participate if they had to administer the state assessment. He also noted that he has been told many of the national norm-referenced assessments are harder than PARCC so he wondered why we would discourage their use. Dr. Zimmer says it depends on whether they are meant to provide information or only be used for accountability. If for informational purposes, it can be hard to decipher different scores. Sen. Kelsey said that is why he thinks there would need to be some kind of scaling to allow for comparison. Dr. Zimmer said this might be an administrative responsibility the state would need to provide.

Commissioner Huffman noted that other states use different policies, with some states requiring the state test for scholarship recipients and some not. He noted that there is a consensus for accountability and evaluation, and that there should be a test administered to scholarship recipients that will generate value-added scores to give information, and that there is potentially strong support for saying schools should administer PARCC but not unanimous support. Task Force members nodded in agreement. Mr. Barbic gave one caveat, saying that if a program were launched next year, schools should not be required to figure out TCAP when it is going

away in one year anyway. Rep. Brooks noted that the legislation could say schools have flexibility if going to another rigorous exam. Mr. Barbic agreed that giving flexibility while moving to PARCC could be beneficial and then there would be information to decide whether everyone needs to move to PARCC or not. Dr. McDonald agreed that this could be a component of the evaluation. Rep. Brooks noted that by date certain, he believes the program should say participating schools need to move to what the state is using. Mr. Barbic said that potentially the program could offer a few assessments and then look at PARCC. Sen. Kelsey noted that ultimately schools are either giving TCAP or one of a handful of other tests. Dr. Nixon added that the program would need to collect information on both attainment levels and value-added. Dr. Zimmer asked if additional information might be needed. Ms. Kincannon suggested graduation and retention rates. Rep. Brooks stated that the program should collect all of the same information the state does, and Commissioner Huffman agreed.

Commissioner Huffman asked about once in always in, and whether there was consensus on whether it should extends all the way through 12th grade or just to the end of the school the student is attending. Dr. McDonald asked if the second option would still provide the ability to reapply at next level? Commissioner Huffman said yes, but if there was a cap and lottery system, they would have to go through the lottery again. Rep. Brooks said if academic improvement is primary, and choice secondary, there is no need to take money from a reward school, and that eligibility should be narrowed to the building where we are trying to address academic issues. Ms. Kincannon asked whether that meant once in always in until the terminal year of the base school. Rep. Brooks said yes, and she agreed. Commissioner Huffman noted that the problem is that typically if the elementary school's performance is very low, the middle school is usually not a reward school, but it is also possible that it is not a priority school. At that point, we would be saying you were in a fourth percentile school so you were eligible, but you have to go back to an eighth percentile middle school. He said what holds him up is considering what is in the best interest of the child receiving the scholarship. Dr. McDonald agreed, saying that if the student is doing well and has reached the exit grade level, the program should allow them to continue. Ms. Kincannon suggested there could be parameters, for example, if the middle school were to be high-performing, that the child does not automatically continue. Dr. McDonald said this would be putting the school ahead of the child. Ms. Kincannon pointed out there would still be continuity until the terminal grade. Sen. Kelsey said he feels passionately about this, and that it would be horribly cruel to have the student doing well in a private school and then rip them out and say they have to go back to a different system, whether the same or a different school. Rep. Brooks said that was a choice concept. Sen. Kelsey disagreed, saying that the state had already said these schools are not doing well. Rep. Brooks said this was not the case, since some high schools and middle schools are doing well, including the SCORE prize schools. Sen. Kelsey said that if focused on the receiving school, and a student is doing well, it would be cruel to remove them from an academic standpoint. Dr. McDonald said the money should follow the child through the academic experience, not just the school. Mr. Barbic asked what would happen if the child is not doing well. Dr. McDonald said the safeguards are already in place, since the scholarship would not continue if the student is not doing well. Rep. Brooks asked again if the purpose is choice or academic achievement. Mr. Barbic said that achievement is a "what," and choice is a "how," though not the only one, and that he does not view them as an either/or.

Commissioner Huffman brought the discussion to closure and asked everyone to give 60 seconds of additional thoughts if they wished to. He noted that today's discussion had raised a few more areas of consensus, and other places where there is still not consensus but where we now have a better sense of the range of options. He noted that the Task Force's job is not to reach consensus everywhere, but rather to provide a report for consideration to the governor, and that ultimately the decision will be the General Assembly's and the governor's on whether to move forward with legislation. He further noted that some things could also be left to the state board of education or to the department of education.

Rep. Brooks said he had summarized his thoughts in the document he had provided, and that it was good to see how government can function efficiently and effectively, and thanked the commisseiron for his leadership and his staff's work. Dr. Zimmer thanked everyone for the opportunity. Mr. Barbic said he thought the discussions would be more contentious than they had been, and that he had learned a lot. Sen. Kelsey said he thought he knew everything there was to know on this issue but found this was not true and that he had learned a ton. He said he appreciated Commissioner Huffman and the Governor for bringing this together, and that he had been very happy with the 2011 bill passed by the Senate, but that if the General Assembly and the Governor moved forward, the bill would be better because fo the Task Force. Ms. Kincannon said she appreciated the opportunity, learned a lot, and appreciated that CLASS was given seat at table. She noted that having many of the stakeholders involved is good governance strategy. Dr. Nixon echoed everyone and said that the discussion had been healthy, lively at times but very informative. He said he supported Rep. Brooks' thoughts, including looking at the priority school list, and then maybe the 10th or 15th percentile. Dr. McDonald extended her thanks to Commissioner Huffman and the Governor for his foresight in putting the Task Force together.

Commissioner Huffman thanked Jayme Place, Hanseul Kang, Venita Cooper, Will Cromer, and Stephen Smith from the department and the Governor's staff. He thanked the members of the Task Force for their participation in meetings, willingness to travel, and for their work outside the meetings. He noted his appreciation for the conversations. People came in with different perspectives including merits of having a program at all, and he appreciated that people came and engaged in constructive conversation answering the question given to us, namely, if we had a program, what would be best for students in Tennessee. He noted that the staff would revise the report based on today's discussion, and would aim to deliver the final version to the governor in the next two weeks, at which point the Task Force's work would be complete. He gave one last thank you to the stakeholders who came to the meeting in September, and made the effort to participate in the process, including a 13 year old student from Memphis who came and shared, parents, and people from across the state. Ms. Kincannon asked if there would be an additional opportunity to review the near-final draft, and Commissioner Huffman said that the near-final version would be circulated for another opportunity to review and comment.

From Representative Harry Brooks:

Opportunity Scholarship Program

This proposed policy plan is designed to assist the Superintendent of the Achievement School District (ASD) with an additional tool in improving the academic outcome of students attending the schools on Tennessee's priority (lowest 5% in performance) designated schools. The Superintendent of the ASD shall determine which priority public schools, if any or all will be placed in the Opportunity Scholarship Program.

Non public school may apply to assist the ASD Superintendent by participating in the program of academic improvement opportunity Scholarship Program. The non public school shall make application to the TN Dept of Education's achievement school district's superintendent.

All non public school applicants must demonstrate an academic ability to perform at an acceptable or allowed level. The State Department of Education shall develop and apply these standards to all applicants.

Once a non public school is accepted into the program, this school must use the state's evaluation program for those scholarship students. The evaluation program must be the very same used in our public schools. It is important that we know, as with public schools, their academic performance level.

Students enrolled in a failing school (lowest 5%) and students zoned for that school at the entry grade level of the failing school shall be eligible to participate in the scholarship program. The scholarship program shall last for the duration of eligibility to attend a failing school. For example, if a student is attending or scheduled to enter a failing middle school (grades 6-8); the student's scholarship is then valid for grades 6-8. Movement into high school with an opportunity scholarship shall be determined by the high school's academic status.

The opportunity scholarship program will be funded with the state's BEP share and the local educational authority's required funding share.

Additionally, any public school student enrolled or scheduled to enroll in a failing school may attend any other public school of like grade if a space is available. Funding for these transfers will be consistent with current policies. If a school system uses local funding to exceed the local minimum funding requirement, than that system may charge an out of district tuition to match or total their per student funding level.

If the public to public school transfer occurs, the student shall be eligible to participate in all student extra curricular activities.

APPENDIX D

As part of the Task Force's work, it considered research findings from voucher programs across the country including Washington, DC, New York City, and Milwaukee. The following provides a snapshot from the executive summaries of the most recent studies on these programs and the major conclusions about their impact.

DC Opportunity Scholarship Program[10]

"The *District of Columbia School Choice Incentive Act of 2003,* passed by Congress in January 2004, established the first federally funded, private school voucher program in the United States. As part of this legislation, Congress mandated a rigorous evaluation of the impacts of the Program, now called the DC Opportunity Scholarship Program (OSP). This final evaluation report presents the longer term effects of the Program on families who applied and were given the option to move from a public school to a participating private school of their choice.

The evaluation compares the outcomes of 2,300 eligible applicants randomly assigned to receive an offer (treatment group) or not receive an offer (control group) of an OSP scholarship through a series of lotteries. Although data on most of these outcomes—test scores, high school graduation, perceptions of school safety and satisfaction—were collected annually over four or five years, each year's estimated impacts are cumulative in that they represent students' entire educational experience between their application to the Program and the year the data were obtained. Some students offered scholarships never used them, while others used their scholarships to attend a participating private school at some point during the four- to five-year period. Based on analysis of the final, spring 2009 data we find:

- There is no conclusive evidence that the OSP affected student achievement. On average, after at least four years students who were offered (or used) scholarships had reading and math test scores that were statistically similar to those who were not offered scholarships.
- The Program significantly improved students' chances of graduating from high school. Although students may not have raised their test scores in reading and math as a result of the OSP, they graduated at higher rates. The offer of an OSP scholarship raised students' probability of completing high school by 12 percentage points overall.
- The OSP raised parents', but not students', ratings of school safety and satisfaction."

New York School Choice Scholarships Foundation Program[11]

"Most research on educational interventions, including school vouchers, focuses on impacts on short-term outcomes such as students' scores on standardized tests. Few studies are able to track

[10] Wolf, P.J., Gutmann, B., Puma, M., Kisida, B., Rizzo, L., Eissa, N., Carr, M., & Silverberg, M. (June 2010). Evaluation of the DC Opportunity Scholarship Program: Final report. *U.S. Department of Education: National Center for Education Evaluation and Regional Assistance, NCEE 2010-4019.* Retrieved from http://ies.ed.gov/ncee/pubs/20104018/pdf/20104019.pdf

[11] Chingos, M.M., & Peterson, P.E. (August 2012). The effects of school vouchers on college enrollment: Experimental evidence from New York City. Retrieved from http://www.brookings.edu/~/media/Research/Files/Papers/2012/8/23%20school%20vouchers%20harvard%20chingos/Impacts_of_School_Vouchers_FINAL.pdf

longer-term outcomes, and even fewer are able to do so in the context of a randomized experiment. In the first study using a randomized experiment to measure the impact of school vouchers on college enrollment, we examine the college-going behavior through 2011 of students who participated in a voucher experiment as elementary school students in the late 1990s. We find no overall impacts on college enrollments but we do find large, statistically significant positive impacts on the college going of African American students who participated in the study. Our estimates indicate that using a voucher to attend private school increased the overall college enrollment rate among African Americans by 24 percent.

The original data for the analysis come from an experimental evaluation of the privately funded New York School Choice Scholarships Foundation Program (SCSF), which in the spring of 1997 offered three-year scholarships worth up to a maximum of $1,400 annually to as many as 1,000 low-income families with children who were either entering first grade or were public school students about to enter grades two through five. A recipient could attend any one of the hundreds of private schools, religious or secular, within the city of New York. According to the New York Catholic archdiocese, average tuition in the city's Catholic schools, the city's largest private provider, was estimated to be $1,728, which was 72 percent of the total per pupil cost of $2,400 at these schools (compared to total costs of more than $5,000 in the public schools)…

Similar results are obtained for full-time college enrollment. Among African Americans, 26 percent of the control group attended college full-time at some point within three years of expected high-school graduation. The impact of an offer of a voucher was to increase this rate by 6.4 percentage points, a 25 percent increment in full-time college enrollment. If the scholarship was used to attend a private school, the impact was about 8 percentage points, an increment of about 31 percent. No statistically significant impacts were observed for Hispanic students."

Milwaukee Parental Choice Program[12]

"This is the final report in a five-year evaluation of the Milwaukee Parental Choice Program (MPCP). This report features analyses of student achievement growth four years after we carefully assembled longitudinal study panels of MPCP and Milwaukee Public Schools (MPS) students in 2006-07…

…The primary finding that emerges from these analyses is that, for the 2010-11 school year, the students in the MPCP sample exhibit larger growth from the base year of 2006 in reading achievement than the matched MPS sample. This is the first year such an achievement growth advantage has been observed for either group in our study. Some analyses indicate that the students in the MPCP sample also exhibit larger growth in math achievement, but the results are not conclusive."

[12] Witte, J.F., Carlson, D., Cowen, J.M., Fleming, D.J., & Wolf, P.J. (February 2012). MPCP longitudinal educational growth study: Fifth year report. Retrieved from http://www.uark.edu/ua/der/SCDP/Milwaukee_Eval/Report_29.pdf

Milwaukee Parental Choice Program[13]

"In this report we continue our examination of high school graduation and post-secondary enrollment in the Milwaukee Parental Choice Program (MPCP). We consider students enrolled in the MPCP in either 8th or 9th grade in 2006, and a comparison sample of students enrolled in the Milwaukee Public Schools. We find that, as of September 2011:

- Students enrolled in MPCP in 2006 in either 8th or 9th grade compared to students enrolled in MPS at the same time:
 - Were somewhat more likely to have graduated high school;
 - Were less likely to enroll in a two-year or technical post-secondary institution;
 - Were more likely to enroll in a four-year post-secondary institution;
 - Dropped out of high school for similar reasons, most notably a poor academic experience.
- MPCP students who were in 9th grade in 2006 were more likely to both graduate and persist with two years of enrollment in a four-year post-secondary institution.
- MPCP and MPS students who did enroll in a post-secondary institution were most likely to attend one of three colleges: University of Wisconsin-Milwaukee, the University of Wisconsin-Whitewater, and Alverno College.
- Among MPCP and MPS students who attended other post-secondary institutions:
 - MPCP students were more likely to enroll in a religious or otherwise private four-year institution;
 - MPCP students attended institutions with slightly higher average tuition levels;
 - MPCP students attended institutions with slightly lower SAT and ACT scores;
 - MPCP students attended institutions with statistically similar rates of applicant acceptance."

[13] Cowen, J.M., Fleming D.J., Witte, J.F., Wolf, P.J., & Kisida, B. (February 2012). Student attainment and the Milwaukee Parental Choice Program: Final follow-up analysis. Retrieved from http://www.uark.edu/ua/der/SCDP/Milwaukee_Eval/Report_30.pdf

APPENDIX E

The following national experts on opportunity scholarships provided information at the August 16, 2012 Task Force meeting:

Mr. Scott Jensen is a senior strategist for the advancement of school choice by the nation's largest school choice organization, the American Federation for Children. Previously, Scott Jensen served for 14 years in the Wisconsin Assembly including three terms as Assembly Speaker. He also served as Chief of Staff to Gov. Tommy Thompson (R-Wisconsin.) Jensen played a crucial role in the creation, expansion and defense of Milwaukee's pioneering school choice program. He earned a bachelor's degree in political science and economics from Drake University in 1982 where he graduated Phi Beta Kappa, and he earned his master's in public policy at the Kennedy School of Government at Harvard University in 1984. Scott Jensen lives in Brookfield, Wisconsin with his wife and three young children.

Mr. John Schoenig is the inaugural Director of the University of Notre Dame's Program for K-12 Educational Access (PEA). In addition to his work with the PEA, he serves on the faculty of the Alliance for Catholic Education (ACE) Program and is a Fellow in the University's Institute for Educational Initiatives. He teaches on issues of education law and policy and the intersection of church and state in K-12 education in Notre Dame's Education, Schooling and Society (ESS) Program and the Mary Ann Remick Leadership Program. Prior to his appointment with the PEA, he served as the Director of Development for the Alliance for School Choice and Associate Director of the Alliance for Catholic Education. He earned a BA and M.Ed. from the University of Notre Dame, and a JD from Notre Dame Law School.

Dr. Patrick Wolf is Professor and 21st Century Chair in School Choice in the Department of Education Reform at the University of Arkansas College of Education and Health Professions. He also is principal investigator of the DC Opportunity Scholarship Program impact evaluation through a contract with the U.S. Department of Education (subcontract with Westat), and is leading a national research team conducting an independent longitudinal multi-method evaluation of the Milwaukee Parental Choice Program. Dr. Wolf has authored, co-authored, or co-edited two books and more than two dozen articles and book chapters on school choice, special education, public management, and campaign finance. Wolf has designed, managed, and published the results from education studies that employ a wide variety of research methods including experimental, quasi-experimental, meta-analytical, and qualitative investigation techniques. A 1987 graduate of the University of St. Thomas (St. Paul, MN), he received his Ph.D. in Political Science from Harvard in 1995.

Dr. Howard Fuller is a Distinguished Professor of Education and Director of the Institute for the Transformation of Learning at Marquette University. He is the chair and co-founder of the Black Alliance for Educational Options (BAEO). He is regarded as the nation's most influential African-American spokesman for school choice. During Fuller's tenure as the superintendent of the Milwaukee Public School District (1991-1995), the city started the first publicly- funded school voucher program in the nation. This program grew from 350 voucher students in seven private schools in 1990 to 15,000 in 110 private schools by 2006. In 1995, Fuller founded the Institute for the Transformation of Learning at Marquette University. The institute organized an important 1999 meeting of 150 Black educators and parents, which led to the creation of the BAEO the following year. Dr. Fuller received his bachelor's from Carroll College, before earning an MSA at Western Reserve University and his Ph.D. at Marquette.

APPENDIX F

The memoranda included on the following pages summarize findings from two surveys of private schools in Tennessee conducted by the Friedman Foundation for Educational Choice, in collaboration with the Beacon Center of Tennessee.

FRIEDMAN FOUNDATION
FOR EDUCATIONAL CHOICE

DATE: **June 11, 2012**
FOR: **All Interested Parties**
PREPARED BY: **Paul DiPerna**
SUBJECT: **Findings from Two Surveys of Tennessee's Private Schools**

Overview

In the coming days, weeks, and months, public officials will consider introducing legislation for a school voucher mechanism so that parents can choose their children's schools – whether that selection is a public district school, public charter school, or nonpublic private school. The purpose of this memo is to disseminate essential information about the state's private schools and present the landscape of opportunities and challenges for this important sector within the state's K-12 education environment.

Of the three most common school types, we know the least about private schools as a "sector" within Tennessee's education system. This is common for most states, partly because far fewer students attend private schools compared to district schools. There is much greater incentive for policymakers, analysts, and opinion leaders to focus on the vastly larger sector – the public one. Fortunately, the Tennessee Department of Education and think tanks like the Beacon Center of Tennessee have been proactive in surveying the state's private schools, which will allow for better-informed policies and decision-making.

In this memo, we synthesize information collected by two private school surveys recently conducted by the Tennessee Department of Education and Beacon Center. We summarize the key survey findings in two sections of this memo. Each survey informs key profile and demographic characteristics of the private school sector in Tennessee and should provide a healthy foundation and starting point for program design and policy decisions.

For the purpose of maintaining a standard criterion across the two surveys, and minimizing potential outliers, we examine only those private schools that enroll at least 10 or more students.

Survey Data Sources and Brief Background

Tennessee Department of Education. According to the Tennessee Department of Education's website, the state has conducted annual surveys of private schools for more than a decade.[1] The most recent survey was conducted in the 2011-2012 school year. Each year the state has asked for information about certain school qualities, such as address and primary contact information, school district and county of residence, grade span, number of teachers, number of students, website, and any school accreditations. According to the state's most recent survey, there are 561 nonpublic private schools in the state, educating at least 10 or more students.[2]

Beacon Center of Tennessee. In April and May 2012, the Friedman Foundation for Educational Choice collaborated with the Beacon Center of Tennessee to conduct a first-of-its-kind survey of Tennessee's nonpublic, private schools. The purpose of this assessment was five-fold: (1) measure the potential interest in a private school voucher program; (2) determine the current regulations and testing programs already in effect for these schools; (3) calculate the average and median private school tuition; (4) document how many schools currently provide tuition assistance; and (5) establish currently available seats and capacities to enroll additional students. The Beacon Center received responses from 219 private schools. Assuming that these schools meet the criterion of enrolling 10 or more students, the Beacon Center survey had a 39 percent response rate. Assuming the survey implementation minimized non-response bias, this proportion of private schools should satisfy a solid representation of the state's private school sector.

[1] Tennessee Department of Education. Data for 2011-2012 school year.
See URL: www.state.tn.us/education/nonpublic/index.shtml

[2] We also exclude the HomeLife Academy, located in Shelby County, because it really reflects what is commonly considered the homeschool population. The school is an outlier having twice the enrollment of the next largest private school.

Key Findings

Part I. Tennessee Department of Education (2011-2012)

- **What geographic areas have the most private schools?**

 Memphis, Davidson, Knox, and Hamilton school districts collectively have 37 percent of the state's private schools (243 of 651 schools). Shelby County combined with the Memphis school district has 115 private schools. Generally speaking, these five areas represent the cradles of private schools spread out across the state.

Top 10 School Districts	# Private Schools
Memphis	91
Davidson	64
Knox	48
Hamilton	40
Shelby	24
Wiliamson	19
Sumner	15
Madison	13
Montgomery	13
Murfreesboro	11

- **What cities have the most private schools?**

 Nearly one-third (33 percent) of the state's private schools are located in Memphis, Nashville, Knoxville, and Chattanooga (214 of 651 schools).

Top 10 Cities	# Private Schools
Memphis	83
Nashville	53
Knoxville	45
Chattanooga	33
Franklin	15
Clarksville	12
Murfreesboro	13
Jackson	11
Cordova	10
Cleveland	9

- **How many private schools are in each Nonpublic School Category, as designated by the Tennessee Department of Education?[3]**

 The Tennessee Department of Education (TDOE) gives five basic designations for privately operated schools. A plurality of the state's nonpublic schools (37 percent) are religious schools, which are designated by Category IV. Approximately 1 of 10 private schools (11 percent) have received direct approval from TDOE as Category I schools. More than 66 percent of the state's private schools have been accredited either by a state-sanctioned accrediting agency, a regional accreditation agency, or recognized by a private schools association (432 of 651 schools).

[3] For more information about the State's categories and their definitions, see URL: www.state.tn.us/education/nonpublic/categories.shtml

Most Common Categories	# Private Schools
IV	243
III	181
II	130
I	73
I-SP	59
V	16

Most Common Combined Categories	# Private Schools
II, III	51
III, IV	40
II, IV	21
II, II, IV	10

Category definitions, according to the Tennessee Department of Education:

Category I. Schools are approved by the State Department of Education.

Category I-SP. Schools are Special Purpose schools encompassing some Pre-K programs and transient care facilities serving DCS students.

Category II. Schools are approved by a private school accrediting agency which has been approved by the Tennessee State Board of Education. Schools holding full accreditation status with an approved agency are approved by the State Department of Education.

Category III. Schools are regionally accredited (by, for example, the Southern Association of Colleges and Schools (SACS)).

Category IV. Schools are Church-Related Schools as recognized by associations mentioned in TCA 49-50-801.

Category V. Schools are Acknowledged for Operation.

- **What are the most common grade spans for Tennessee's private schools?**

 By far the most common school-wide grade span is Kindergarten through 12th grade (K-12). Approximately one of five private schools in the state span K-12. Including those that also offer Pre-Kindergarten (PK), one of three private schools offer Kindergarten through 12th grade.

Most Common Grade Spans	# Private Schools	Percent of State's Private Schools
K-12	111	17%
PK-12	74	11%
K-8	56	9%
PK-8	32	5%
6-12	22	3%
7-12	20	3%
9-12	20	3%

- **What proportion of the state's private schools also offer Pre-Kindergarten (PK)? How many schools?**

 We estimate 218 private schools in state already offer PK, representing about one-third (33 percent) of the state's total private school sector.

- **What is the state's <u>average private school size</u> (enrollment)?**

 196 students

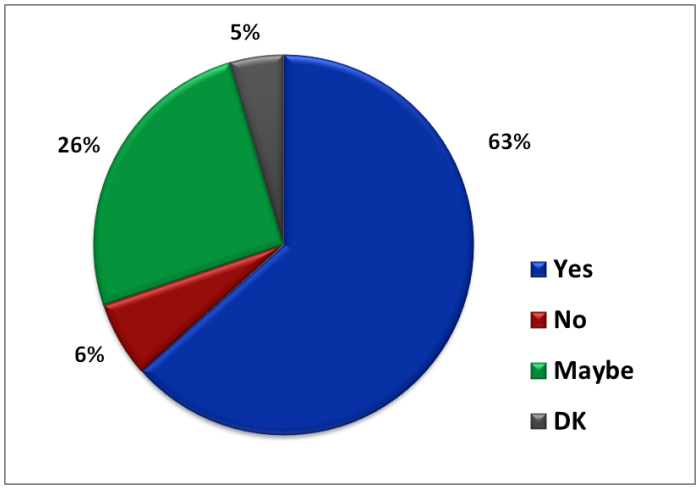
- **What is the state's <u>median private school size</u> (enrollment)?**

 75 students **(Half of all private schools are above/below this enrollment number.)**

Part II. Beacon Center of Tennessee (2011-2012)

- **If enacted, would private schools participate in a school voucher program?**

Nearly two of three responding private schools (63 percent) said they would participate in a school voucher program, if enacted by the state. Additionally, another 26 percent of schools said "maybe," and, in other words, they would consider participation. Only 14 schools (6 percent) said outright they would not participate.



If we assume the Beacon Center survey's sample of schools is representative of the state's private school sector, we can extrapolate numbers that would produce the following participation projection:

Response	# Private Schools (Projection)
Yes	410
No	39
Maybe	169
DK	32

- **How much tuition do they currently charge students?**

It appears there are some especially expensive schools at all three levels that create the gap between "average" and "median" private school tuition rates. More than half of surveyed private schools charge less than $5,500 for elementary and middle school grades. Half of schools charge below $6,300 for high school.

	Average Tuition	Median Tuition
Elementary School	$6,272	$5,240
Middle School	$6,645	$5,450
High School	$7,488	$6,275

- **What proportion of the school's student population receives some form of financial assistance?**

Of those private schools that responded to this question (193 schools), approximately 87 percent of the schools – 167 schools – offer their students tuition assistance.

More than one-third of the responding schools (66 schools; 34 percent) said they have more than 25 percent of their students receiving some form of financial assistance.

Percent of Students w/ Tuition Help	# Schools	Percentage
76 to 100 %	20	10%
51 to 75 %	4	2%
26 to 50 %	42	22%
1 to 25 %	103	53%
None	26	13%

- **Do they give an annual standardized test to their students?**

Nearly two of three private schools (64 percent) require their students to take a national norm-referenced test. About 10 percent of the surveyed schools require the state's criterion-referenced assessment, called the TCAP.

Standardized Tests	# Schools	Percentage
Stanford	62	31%
ITBS	42	21%
Terra Nova	23	12%
TCAP	20	10%

- **Would these schools have available seats for new students?**

Of the schools taking part in the Beacon Center survey, we cautiously estimate that close to 7,500 open seats – across all grades – are currently available in the state's private school sector. Keep in mind, this is a low estimate provided directly by the private schools in this survey. The high-end estimate, based on responses, is closer to 7,900 seats for these 219 private schools in the survey.

Available Capacity in Private Schools	# Seats (Low)	# Seats (High)
TOTAL	7,490	7,874
Elementary School	3,304	3,467
Middle School	2,313	2,406
High School	1,873	2,001

If we assume the Beacon Center survey's sample of schools is representative of the state's private school sector, we can extrapolate this total range. When doing this computation, we project a range of 19,200 to 20,200 available seats in the state.

DATE: **September 19, 2012**

FOR: **All Interested Parties**

PREPARED BY: **Justin Owen & Trey Moore**
Beacon Center of Tennessee

SUBJECT: **Tennessee Private School Survey, Round 2**

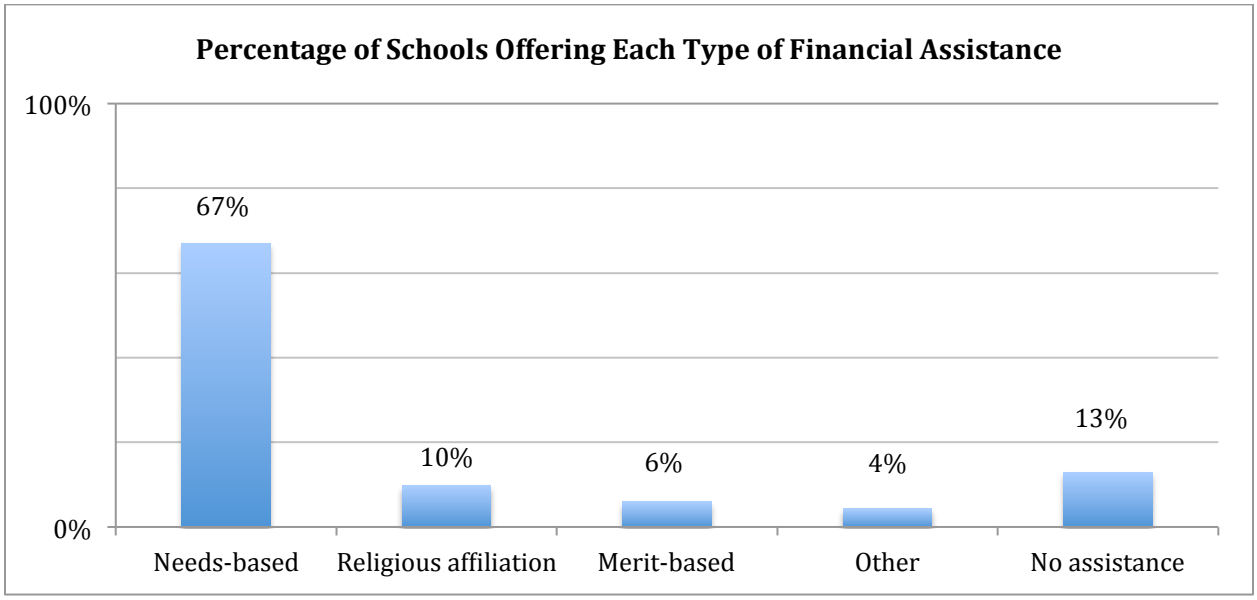
Overview

In April 2012, the Beacon Center of Tennessee and the Friedman Foundation for Educational Choice collaborated to conduct a first-of-its-kind survey of Tennessee's nonpublic, private schools that enroll 10 or more students. The purpose of the survey was to assess private schools in areas of regulations, testing programs, financial assistance, and seating capacity, and to gauge interest in a hypothetical opportunity scholarship program. With a response rate of 39 percent, the survey was successful in providing a reliable picture of Tennessee's private school landscape relative to the school choice issue.

Building on this success, the Beacon Center solicited the same schools with a short follow-up survey to more accurately assess the private school palate for an opportunity scholarship program in Tennessee. The purpose of this survey is to help the Governor's Task Force craft opportunity scholarship design options for the governor by assessing private schools in more sensitive areas such as financial aid, public information sharing, funding levels, and student achievement testing. This memo summarizes data from 185 private schools that responded to the second survey, conducted between July 23, 2012 and August 31, 2012. This represents a 36 percent response rate.

Financial Assistance

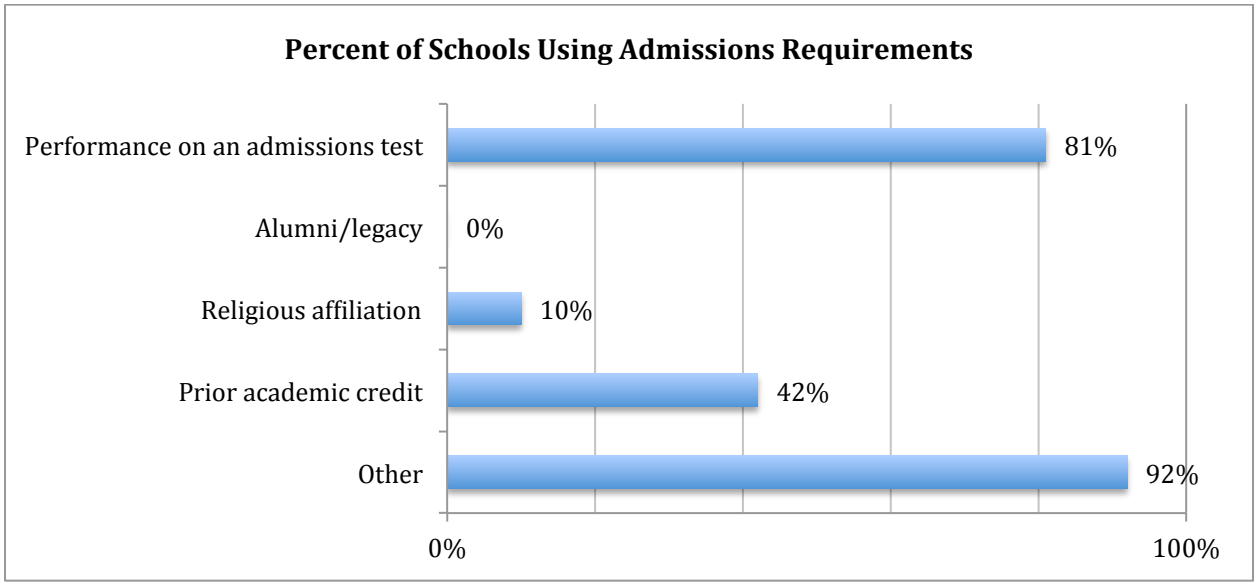
The April 2012 survey revealed that 87 percent of private schools enroll students that receive some form of financial assistance, whether directly from the school or another source. In order to obtain more detailed information about financial aid, we asked more specific questions in the second survey. Our follow-up survey indicates that 70 percent of private schools *directly* provide financial assistance. Of those schools directly providing some form of financial assistance, they overwhelmingly do so on a needs basis. The chart below shows the various forms of financial assistance offered by the schools surveyed and the percentage of respondents that offer such assistance.



*Percentage will not total 100 since schools could select more than one type of financial assistance offering.

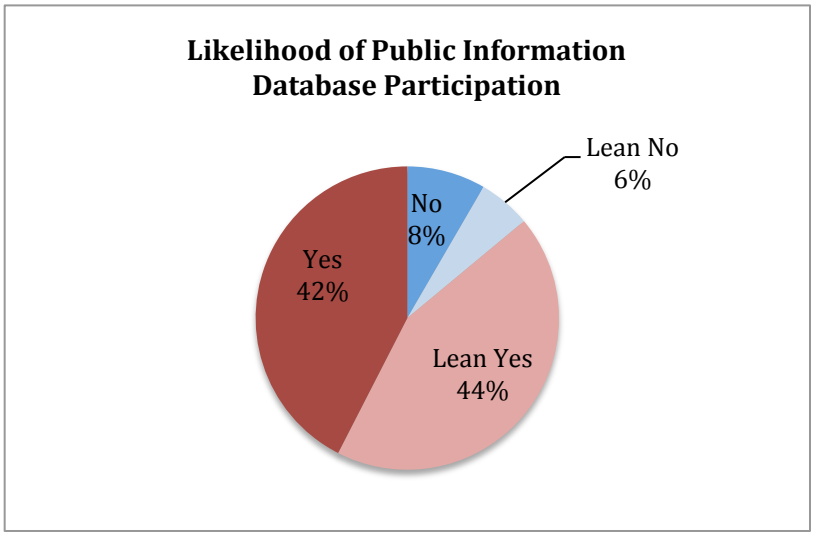
Admissions Requirements

In making admissions decisions, 81 percent of respondents indicated they give weight to performance on an admissions test, 42 percent consider prior academic record, and 10 percent consider religious affiliation of prospective students. However, 92 percent of respondents indicate they also consider other factors than those listed above. Notably, none indicated an alumni or legacy requirement for admission. The chart below demonstrates the diversity of admissions factors.

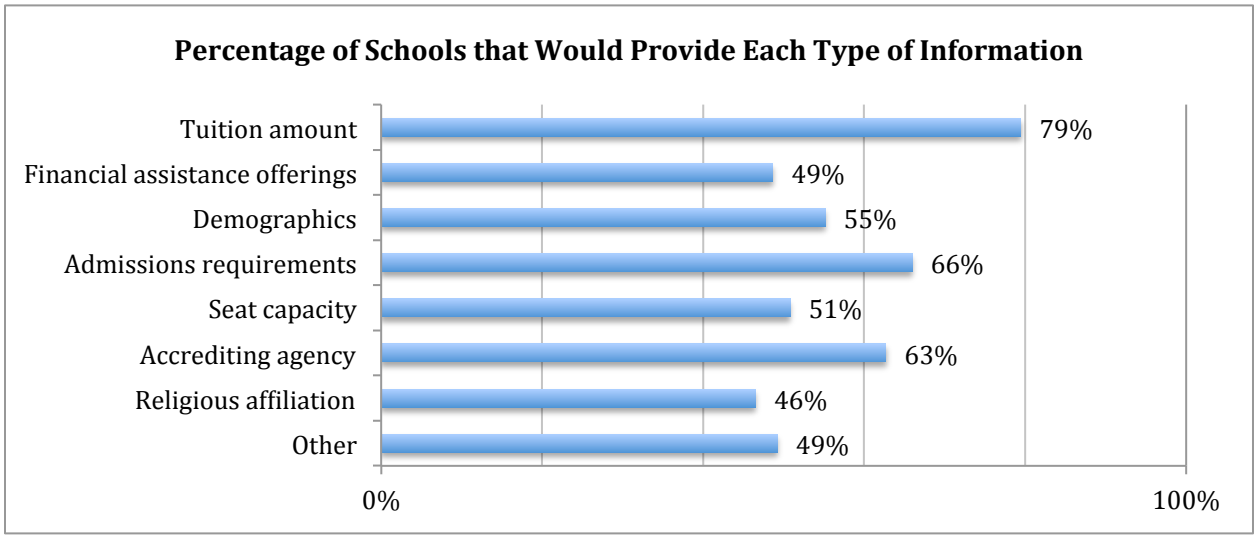


Public Information Database

Some school choice reforms in other states have utilized a public information database accessible by parents intended to help them make informed decisions about potential schools. This survey has gauged interest for a similar system in Tennessee. When asked whether schools would be willing to participate in such a database, 86 percent of respondents indicated they would participate or would be likely to do so. Only eight percent of respondents indicated they would not participate in the database. Below is a breakdown of responses.



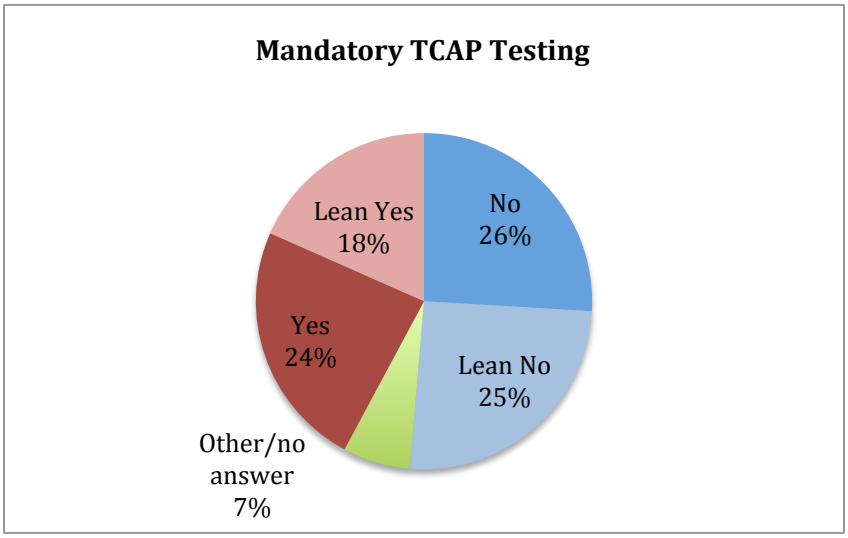
When asked what specific information those schools likely to participate in the database would be willing to share, the responses varied. Over 60 percent of likely database participants would publicly share tuition information (79 percent), admissions requirements (66), and accreditation information (63). A majority of likely participants would share demographics (55) and seating capacity data (51). Over 40 percent would also share financial assistance (49) and religious affiliation (46) information.



TCAP Testing

One of the more sensitive policy areas relative to opportunity scholarship programs is accountability measurement for participating schools. Specifically as it relates to assessment testing in private schools, only 10 percent of those schools responding to the April 2012 survey indicated that they currently administer the Tennessee Comprehensive Assessment Program (TCAP) achievement test, while 31 percent currently administer the Stanford test. Another 33 percent administer either the ITBS or the Terra Nova test.

The most recent survey gauged schools' interest in a school choice program whereby they would be required to administer the TCAP. A majority of respondents indicated they would not participate or likely would not do so if TCAP testing were mandatory and that the school did not have any flexibility in the type of assessment testing to be administered. A combined 42 percent of schools indicated that they would or likely would participate under such requirements. Below is a breakdown of responses regarding mandatory TCAP testing as part of a potential opportunity scholarship program.



Funding levels

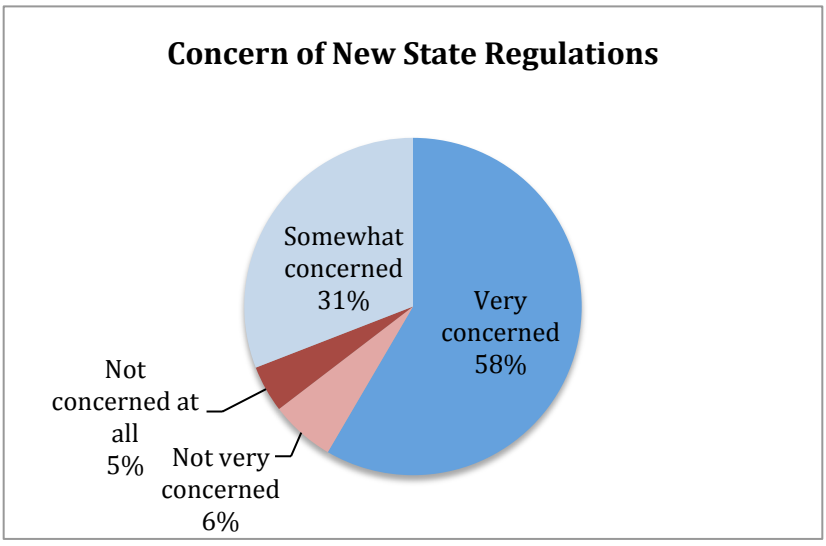
Another key facet in discussing a potential school choice program is determining the amount of the opportunity scholarship provided to the participating student. This survey gauged potential interest in a school choice program based on various funding levels relative to *cost to educate the child*, as distinct from tuition charged. The survey found that at a funding level of 50 percent of the cost to educate a scholarship student, 55 percent of respondents would opt out, or choose not to participate in the program. Alternatively, a scholarship equal to at least 90 percent of cost would result in a 73 percent participation rate among respondents, and 85 percent of respondents would participate if the scholarship amount covered the entire cost to educate a child at their school. The chart below shows the participation rate at various funding levels relative to the schools' cost of education.

Percentage of Cost Covered in Scholarship	Private School Participation Rate
Less than 50%	19%
At least 50%	45%
At least 75%	60%
At least 90%	73%
At least 100%	85%

*Eight percent of respondents did not respond to this question.

Regulatory Concerns

In the final question of the survey, participants were asked how concerned they would be about "new state regulations" that might be contained in a potential school choice program. An overwhelming majority indicated they would be "very concerned," while another 31 percent indicated they would be "somewhat concerned." Just 11 percent of respondents stated they were either "not very concerned" or "not concerned at all" about new state regulations that might be a part of a school choice program.



Data Sharing

Of the 185 private schools responding to the most recent survey, 139 have given permission to Beacon Center to share their responses with the Governor's Task Force. Attached are the responses of those schools in full.

APPENDIX G

Categories for Non-Public Schools in Tennessee

Category 1 schools are approved by the State Department of Education.

Category 1-SP schools are Special Purpose schools encompassing some Pre-K programs and transient care facilities serving DCS students.

Category 2 schools are approved by a private school accrediting agency which has been approved by the Tennessee State Board of Education. Schools holding full accreditation status with an approved agency are approved by the State Department of Education. Currently the following agencies have been approved by the State Board of Education:

Association of Christian Schools International (ACSI)

Catholic Diocese of Knoxville

Catholic Diocese of Memphis

Catholic Diocese of Nashville

E. A. Sutherland Educational Association

Harding Academy of Memphis

Mississippi Private School Association

Southern Conference of the Seventh Day Adventist

Tennessee Association of Christian Schools (TACS)

Tennessee Association of Non-Public Academic Schools (TANAS)

Category 3 schools are approved by the Southern Association of Colleges and Schools (SACS) or one of the other 5 regional accrediting agencies.

Category 4 schools are Church-Related Schools as recognized by associations mentioned in TCA 49-50-801.

Category 5 schools are Acknowledged for Operation.

Category 6 provides for International schools associated with a state university and currently has no members.

Schools in Categories 1, 2, 3, and I-SP are considered to be approved schools for pupils transferring from one school to another and transfer of credits and transcripts.

Students who transfer from Categories 4 and 5 schools back to public school must be tested to determine grade level and number of credits.